NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 14 January 6, 1934

DAIRY LEADERS FAVOR PRODUCTION ADJUSTMENT

An intensive study of programs for adjusting production in the dairy industry is being made by the Agricultural Adjustment Administration in its efforts to bring about increased incomes for dairy farmers. Conferences between agricultural leaders and Administration officials have been held almost daily during the last few weeks. Members of a committee from the National Cooperative Milk Producers Federation and allied cooperative marketing associations, in a conference, declared their organizations to be in favor of a serious and united movement for production adjustment throughout all sections of the country and with all forms of milk and dairy products. The spokesmen for milk producers declared that the time has come for adoption of some national dairy production adjustment program, and they believe that recent consideration of the problem by farm leaders and local groups of producers in the field warrants the Administration in starting a movement at once under the terms of the Agricultural Adjustment Act to secure a better balance between supply and demand for dairy products. The committee argued for a definite allotment plan to be used in connection with processing taxes and benefit payments, possibly supplemented by a broader program for tuberculosis and other disease eradication with indemnities for condemned reacting cattle. The committee indicated support of any practical suggestions worked out by the Administration to help dairymen adjust production uniformly throughout the country during 1934, or longer if necessary. They stated that dairy prices cannot advance or be sustained at higher levels while production remains unchecked and unbalanced. Producers, they declared, would be ready and willing to follow leadership in the direction of rigid and practical production control to reduce burdensome supplies coming on markets which are unable to absorb them at prices enabling farmers to meet advanced costs.

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ADMINISTRATION SET-UP CHANGED

Reorganization of the Agricultural Adjustment Administration has been effected by Chester C. Davis, Administrator, with the approval of Secretary Wallace. The purpose is to establish a campact organization to deal effectively and directly with national problems confronting American agriculture. The reorganization has made possible the discontinuance of eight sections, due either to elimination of their duties by transfer of codes, or to the merger of the processing and marketing division with the production division to constitute the new commodity division, or to other causes. Twelve sections will be continued under the direction of their present section chiefs. These changes are expected to make possible the contraction of personnel into a more economic effort in direct relation to agriculture.

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COTTON GROWERS' INCOME TWICE THAT OF 1932

Adjustments in production of the 1933 cotton crop which reduced the probable out-turn by more than four million bales, has been reflected in increased incomes to growers and renewed business and commercial activity throughout the South. Total indicated income received from the 1933 cotton crop, including rental payments and potential option profits, is more than twice the income received from the 1932 cotton crop. The figures upon which this calculation is made include the farm value of lint cotton for the 1933 season, as determined by the crop reporting board of the Department of Agriculture, to be $617,716,000 as compared with $317,861,000 for lint cotton in 1932. In addition to the $617,716,000 received, or being received, for the 1933 crop, rental payments totalling $111,-528,000 have been distributed and farmers who participated in the emergency program of last summer are now receiving some $48,000,000 in option profits, which represent the difference between the 6 cents at which the 2,400,000 bales of cotton have been optioned to these producers and the 10 cents which is available through the cotton pool arrangement, the option-holders receiving a 4-cent per pound advance. The income from cotton seed in 1933 has been calculated at $79,532,000 compared with $53,627,000 received for seed in 1932, making the gross income from the 1933 cotton crop $856,776,000 as compared with $425,-488,000 in 1932. Throughout the South a campaign is under way for restricting the 1934 cotton acreage to 25 million acres. Approximately 125 million dollars in rental and benefit payments will be made to those growers who take part in the program. Signing of agreements to reduce production must be completed by January 31, in order that by that date the Secretary of Agriculture may declare the program effective.

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CLING PEACH GROWERS GET HIGHER INCOMES

The 1933 prices paid growers of California cling peaches were more than double the 1932 prices, and total returns to these producers amounted to $5,000,000 as compared with $906,000 in 1932, when only a portion of the crop could be marketed. This improvement is attributed to a marketing agreement under which stability was created in the market for this year's crop. The agreement involved control of surplus and limited the pack among canners through allotments. Under the agreement between canners and the Secretary of Agriculture, growers received $20 per ton for their No. 1 peaches harvested and $15 per ton for fruit that was not harvested. It is estimated that without control of the surplus in 1933, prices to growers would not have exceeded $10 a ton and total returns to them would not have been more than $2,500,000.

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FARMERS IN 33 STATES GET WHEAT CHECKS

Wheat growers in 33 states up to January 5, received a total of $21,386,607.26 in part payment for agreeing to reduce this year's acreage by 15 percent. The payments were received by 287,970 farmers. When payments are completed, approximately a half million wheat growers will have received a total of about 102 million dollars for making the required reduction in the 1934 crop.

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TOBACCO PROGRAM FOR PUERTO RICO

A production adjustment program for cigar-leaf tobacco growers in Puerto Rico is being planned by the Agricultural Adjustment Administration. It marks the first step in extending to possessions and territories the advantages of the Agricultural Adjustment Act. Under a general outline of the plan being considered, its operation is expected to be similar in many respects to the cigar-leaf program now in effect in the United States proper. Details of the production adjustment agreement to be offered growers in Puerto Rico will be completed after a representative of the Adjustment Administration has discussed the proposed plan with growers. The program will seek to obtain a reasonable adjustment of production to consumption requirements, maintain a reasonable balance of production between Puerto Rican tobacco and the production of competing tobacco in the continent, and increase the purchasing power of Puerto Rican producers with benefit payments from the tobacco processing taxes now in effect.

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CODE HEARING FOR PRODUCE INDUSTRY

A public hearing on a proposed code of fair competition for the wholesale fresh fruit and vegetable distributing industry will be held January 8, at the Mayflower Hotel, Washington, D. C. Approximately 15,000 wholesale dealers, licensed under the Perishable Agricultural Commodities Act, are among those who would be affected by the code. Approximately 5,000 additional unlicensed firms also would be affected. As written, the code would prohibit price cutting and prescribes a number of rules of fair competition intended to eliminate undesirable trade practices. Protection of growers of shipped fruits and vegetables is sought in several provisions of the code.

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GRAPE AGREEMENT AIDS GROWERS

California Tokay grape growers, under a marketing agreement in effect during the 1933 season, benefited to the extent of approximately a half million dollars, preliminary estimates from the industry reveal. Incomes of approximately 1400 growers showed an average increase of about $500 this year as compared with 1932. The agreement provides for proration of shipments.

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APPROVE WINE INDUSTRY CODE

A code of fair competition for the domestic wine industry has been approved by the President. Under its terms administration will be largely in the hands of a code authority set up under the jurisdiction of the Federal Alcohol Control Administration. Wine producers are required to file schedules of prices and terms of sale. Provision is made for the issuance of permits limiting and allocating productive capacity in the industry. Wine producers are forbidden to control or have an interest in retail establishments for distribution of wine. The code contains labor provisions required under the National Recovery Act, and numerous prohibitions held to constitute unfair competition.

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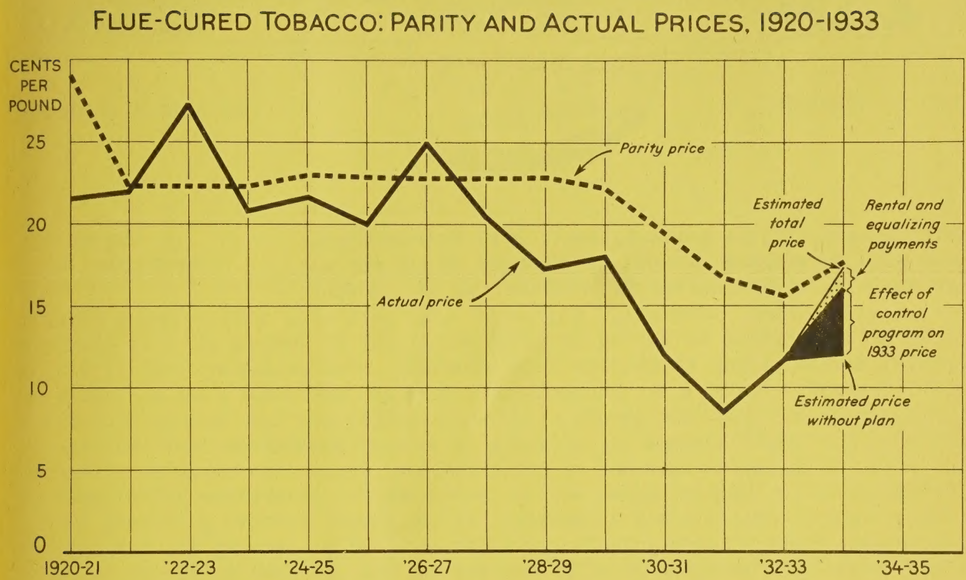

The above chart shows a comparison of parity prices for the 1920 to 1933 crops of flue-cured tobacco. From this chart it will be seen that flue-cured prices have run well below parity since 1927. The difference between actual prices and parity prices increased from 1927 to 1932. In 1927 the actual price for flue-cured tobacco was 20.5 cents a pound, and parity price 22.8 cents. In 1931 the actual price was 8.5 cents per pound and the parity price 16.6 cents. A short crop in 1932 brought the actual price to 11.6 cents per pound when parity was 15.8 cents. In spite of the 1933 crop being nearly twice the size of the 1932 crop, flue-cured tobacco growers are receiving an actual price approximating 16 cents a pound. It is estimated that the production adjustment program and the marketing agreement between the Secretary of Agriculture and leading buyers have lifted the actual market average for the entire 1933 crop at least one-third. Sales of flue-cured tobacco made before the market holiday in September, indicate that without the production adjustment program and the marketing agreement, the actual price would have been around 12 cents per pound. Rental and equalizing payments which growers will receive during the current marketing year will bring growers' income, per pound of flue-cured tobacco, up to about 17.3 cents, or within 2 percent of present parity which is 17.6 cents. Total income for the 1933 crop, exclusive of rental and equalizing payments amounting to nine million dollars, will be about 110 million dollars. This is more than $2\frac{1}{2}$ times what the 1932 crop brought and about twice what growers received from the 1931 flue-cured crop.

NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 15 January 13, 1934

NEW POLICY ON MILK AGREEMENTS

Supplemental to a broad plan for adjusting production in the dairy industry to improve incomes of milk producers, the Agricultural Adjustment Administration announced a new policy governing milk marketing agreements. Under this policy emphasis will be placed on the enforcement of prices to dairymen. Important points in the new policy are: emphasis upon efforts to secure better returns to producers on a more lasting basis; maintenance of a sound balance between fluid milk prices and the prices of butter, cheese and other dairy products; recognition that production control is essential to sustain higher dairy prices generally; emphasis upon local responsibility in the administration of marketing agreements; encouragement, to this end, of the establishment of local control boards providing representation for all classes of distributors, groups of producers, and the general public, to assist in bringing about a sound milk situation for consuming centers; and abandonment of efforts to enforce fixed retail prices. It is expected that existing and pending milk agreements will be revised to conform with the new policy.

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LICENSING ENFORCEMENT SECTION CHANGES

Reorganization of the licensing and enforcement section of the Agricultural Adjustment Administration in the interest of efficiency and economy will become effective January 20. All regional and district branch offices will be discontinued. The branch offices already set up by the licensing and enforcement section include regional offices at New York, Atlanta, New Orleans, Chicago, Kansas City, Minneapolis, and San Francisco, and district offices located at Philadelphia, Boston, Detroit, Los Angeles, Memphis and Jacksonville, Florida. Some of the persons in those offices will be transferred to other positions in the Agricultural Adjustment Administration. The accounting and auditing personnel formerly in the licensing and enforcement section will be transferred to the Office of the Comptroller. Inasmuch as the Office of the Comptroller maintains its own field staff, the shift will make for efficiency and save on transportation costs. The new set-up contemplates assignment by the comptroller and general counsel of accountants and attorneys to assist the licensing and enforcement section rather than to have that section continue to maintain its own separate accounting and legal branches.

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NORTHWEST WHEAT EXPORTS CLIMB

In the program to reduce surplus wheat supplies in Washington, Oregon, and Idaho, the North Pacific Emergency Export Association has purchased for export an equivalent of 10,750,000 bushels of wheat. Of this amount 9,950,000 has been sold, and approximately 5,500,000 bushels already have been shipped. The association was formed under a marketing agreement which provides that exporters are to be reimbursed by the Agricultural Adjustment Administration the difference between the price paid for wheat bought at the domestic price and the lower world price level at which this wheat is sold. The average differential payment between purchases and sales so far has been about 21 cents a bushel. The association contemplates exporting about 30 million bushels. The program has offered relief to Northwest producers by reducing surplus wheat supplies, and it has prevented the low price competition of Northwest wheat from depressing domestic values throughout the rest of the United States.

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BURLEY AGREEMENT GETS APPROVAL

A marketing agreement for Burley tobacco has been approved by Secretary Wallace after signature by 10 contracting buyers. Under its terms, the contracting buyers agree to purchase a minimum of approximately 260 million pounds of the 1933 crop at a price of at least 12 cents per pound. The agreement covers Burley tobacco grown in Kentucky, Tennessee, Indiana, Ohio, Missouri, North Carolina, Virginia, and West Virginia. It is supplementary to the production adjustment program under which growers pledged to limit the 1934 crop to about 250 million pounds. It is estimated that with all growers participating in the adjustment program, the marketing agreement and rental and benefit payments during the current marketing year will bring total income of Burley producers up to around 60 million dollars, or an increase in income of 21 million dollars over each of the past two years when competitive conditions were more favorable for prices than at present.-

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COMMITTEES MUST CHECK CORN-HOG AGREEMENTS

Farmers should not mail signed corn-hog reduction agreements direct to the Secretary of Agriculture nor to the Agricultural Adjustment Administration. All corn-hog agreements first must be handled by community and county committees in the manner provided for by the Administration before they can become eligible for acceptance by the Secretary. The community and county committees are to check agreements for errors and necessary adjustments. Several signed copies of the corn-hog agreements have been received direct by the corn-hog section and these are being returned to their senders.

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HEARING ON PAPER AND COTTON TAXES

A public hearing will be held January 25 in Washington, D. C., on the question as to whether the rate of the processing tax on paper that became effective December 1, 1933, should be altered, and to determine whether payment of the processing tax upon cotton is causing or will cause to cotton processors disadvantage in competition from paper by reason of excessive shifts in consumption between such commodities or products thereof.

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EXECUTIVE ORDER TRANSFERS CODES

Transfer of certain codes of fair competition heretofore placed under the jurisdiction of the Secretary of Agriculture by a previous Executive order was made effective by a new Executive order signed by the President, upon recommendation of Secretary of Agriculture Henry A. Wallace and Hugh S. Johnson, Administrator of the National Recovery Act. Under the new Executive order, the Secretary of Agriculture will keep under his jurisdiction only the codes for industries and trades which directly affect farmers. Under the terms of the Executive order the Secretary of Agriculture will have jurisdiction over codes from the following: 1. Commodity exchanges. 2. Industries, trades, and subdivisions thereof engaged principally in the handling, processing or storing of: (a) Milk and its products, but excepting packaged, pasteurized, blended, and/or processed cheese. (b) Oleomargarine and vegetable oils, but excepting soya bean oil. (c) Cotton and cottonseed and their products, including ginning, cottonseed crushing, cottonseed oil refining (excluding the manufacture of textiles and processing and handling subsequent thereto.) 3. Industries, trades and subdivisions thereof engaged principally in the handling, processing or storing up to the point of first processing and the subsequent sale and disposition by such processors of: (a) Livestock and its products. (b) Wheat, corn, rice, and other grains, but excepting cereals, pancake flours, self-rising flours, cake flours and like products sold in grocery store sizes, and grocery store products of corn. (c) Sugar and its by-products. (d) Anti-cholera hog serum and virus. (e) Naval stores. (f) Tobacco and its products. 4. Fresh fruits and vegetables and poultry and poultry products up to and including handling in wholesale markets and the subsequent sale and disposition by such handlers in wholesale markets.

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WINE AGREEMENT SEEKS PARITY PRICE TO GROWERS

A marketing agreement for the wine making industry, under which the industry agrees to submit a parity price plan not later than May 1, and to have this plan, when approved, incorporated into the agreement, has been tentatively approved by Secretary Wallace and submitted to the industry for signature. The proposed agreement provides for licening of vintners. Two grape planning committees, one for the East, and one for the West, each with nine members, are to submit the plans for making the Agricultural Adjustment Act effective in increasing returns to grape growers. There will be four members of the wine industry on each committee, selected by the eastern and western committees established under the wine code recently signed by the President; four members by eastern and western grape producers; and one representative of the Secretary of Agriculture to be designated by him. The plans to be submitted for later incorporation in the marketing agreement, shall, according to the agreement, "make such provision as each committee deems necessary with respect to the control of production of grapes for wine, the price to be paid therefor by members of the wine industry, the method of payments, and such other matters as are deemed advisable." The agreement, except as specifically provided otherwise, is to be administered by the Federal Alcohol Control Administration.

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DEFER EXEMPTION TO PRODUCERS ON HOG TAX

Administrative considerations of an important nature caused the Agricultural Adjustment Administration to defer issuance of regulations providing exemptions to the producers on the hog processing tax. Announcement was made on January 11 that regulations were being drawn and shortly would be put into effect. In holding up the regulations, it was announced that studies are being made to determine the effect of the proposed exemptions. The studies include the probable effect on the budget, the price to the farmers, the effect on the producers market and the retail trade, and other related matters. The deferred regulations would grant a bona fide producer exemption from payment of the processing tax upon the slaughtering of live hogs within an 800 pound limit.

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CALIFORNIA ASPARAGUS AGREEMENT HEARING

Increased returns to California producers of asparagus for canning is sought in a proposed marketing agreement for the California asparagus canning industry on which a public hearing will be held in Washington, D. C., January 20. The proposed agreement incorporates a new method of improving marketing conditions by providing for all canners to begin packing on one date and to cease on a date designated by a control committee. It would supplement the marketing agreement for California shippers of fresh asparagus, which is now being prepared for submission to the industry. The proposed agreement provides that canners shall not process any lower grade than No. 1 asparagus, and any asparagus canned must be paid for at the price for the No. 1 grade. Standard grades are set up in the agreement. Any asparagus not paid for must be returned to the grower, or destroyed, at his option.

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WHEAT REDUCTION CHECKS TO 35 STATES

Up to January 12 a total of $26,977,359 had been sent to 362,897 wheat growers in 35 states in part payment for their participation in the 1934 wheat adjustment program. Total payments to wheat growers who signed agreements to reduce acreage by 15 percent will be about 102 million dollars of which about 70 million dollars is being paid this winter.

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POULTRY INDUSTRY CODE HEARING

A public hearing on a proposed code of fair competition for the live poultry industry of the New York City metropolitan area will be held on January 17, in the Powhatan Hotel, Washington, D. C. The proposed code covers labor and employment conditions, fair trade practices, and other conditions of the industry.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 16 January 20, 1934

SOUTH TAKES HOLD IN COTTON CAMPAIGN

Although no definite figures are available on number of agreements signed in the 1934 cotton adjustment program, field workers report splendid progress in the sign-up campaign now underway. Under the terms of the agreement a sufficient number must have signed by January 31 for the Secretary of Agriculture to determine whether the program is feasible and, if so, to declare it effective. The Administrator of the Agricultural Adjustment Act, in a statement to the Senate Committee on Agriculture and Forestry, this week asserted that, "It is believed by those in the field that a higher percentage of cotton producers will participate in this program than joined in the emergency program of last summer. The sentiment throughout the South is enthusiastic for the program according to reports we have received, and there is little doubt that the cotton producers will again unite, take the second step in adjusting their production, and thereby restrict plantings for the coming season to between 25 and 30 million acres."

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FEDERAL BUTTER BUYING CUTS STORAGE HOLDINGS

With the early completion of Government butter purchases by the Secretary of Agriculture and the Director of the Federal Emergency Relief Administration, the net commercial storage holdings of butter left in the channels of trade will approximate the 5-year average. Of the 111,210,000 pounds held in storage as of January 1, 1934, a total of 39,932,000 pounds belong to the United States Government. This butter is rapidly being distributed by the Federal Surplus Relief Corporation to the needy and unemployed. In addition to the purchases made, the Federal Surplus Relief Corporation had outstanding on January 1, 1934, proposals for bids which would make the total Government holdings 57,943,000 pounds. This means that when the butter already committed to purchase has been obtained, the net commercial holdings of butter will be 53,267,000 pounds which is the difference between the January storage holdings of 111,210,000 pounds and the total Government stocks of 57,945,000 pounds. The revised five-year average of butter storages as of January 1 from 1929 to 1933 inclusive, is 47,561,000 pounds, as reported by the Bureau of Agricultural Economics. Total net commercial holdings, after allowing for Government purchases, are therefore only 5,706,000 pounds in excess of the five-year average commercial holdings reported for January 1, indicating that the butter surplus removal program instituted in August by the Secretary of Agriculture has had a real effect on the situation by materially reducing storage supplies.

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ALL MILK AGREEMENTS TERMINATE FEB. 1. All existing milk-shed marketing agreements will terminate February 1, according to notice given to contracting parties in the respective areas by the Secretary of Agriculture. Thirteen milk agreements will be affected. The license for distributors in each case will remain in effect until further notice. The present licenses will be replaced by new licenses that conform to the new policy of establishing producers' prices only. Notices of termination were sent to contracting parties in the following cities where agreements were approved as of the dates specified: Philadelphia milk-shed, approved August 21, 1933; Detroit milk-shed, approved August 23, 1933; St. Paul-Minneapolis milk-shed, approved August 29, 1933; Baltimore milk-shed, approved September 25, 1933; Des Moines milk-shed, approved October 3, 1933; Knoxville, approved October 7, 1933; Evansville, approved October 19, 1933; Boston milk-shed, approved October 30, 1933; Alameda county, California, approved November 6, 1933; Los Angeles milk-shed, approved November 16, 1933; St. Louis milk-shed, approved November 22, 1933; San Diego milk-shed, approved December 14, 1933; and Richmond, Virginia, milk-shed approved December 16, 1933. The milk marketing agreement and license for the New Orleans milk-shed will terminate February 1. The agreement for the Chicago milk-shed was terminated on January 1. Announcement of the termination of the license for Chicago was made January 8.

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START NEGOTIATIONS ON THREE TOBACCO AGREEMENTS Increased returns to growers of fire-cured and dark air-cured types of tobacco are sought in three marketing agreements upon which public hearings were held January 18. Negotiations are under way to make these agreements effective within a short time. One agreement would be with the principal tobacco manufactures, one with snuff manufacturers, and one with manufacturers of tobacco by-products.

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LICENSE CONNECTICUT SHADE TOBACCO HANDLERS A license for all handlers of Connecticut Valley shade-grown tobacco, U. S. type 61 (a), produced in Connecticut, Massachusetts, Vermont, and New Hampshire, became effective January 17. It was issued by the Secretary of Agriculture to carry out the provisions of a marketing agreement designed to regulate the handling and sale of this tobacco. This agreement became effective December 11, after signature by 14 of the 15 handlers in the industry and approval by the Secretary. The license requires all handlers of this type of tobacco to observe the terms and conditions of the marketing agreement, whether they are parties to it or not.

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HEARING ON AMENDMENT TO RICE AGREEMENT A public hearing on an amendment to the marketing agreement for the Southern rice milling industry will be held at Shreveport, La., January 22. The amendment seeks to provide means to control rice production in Louisiana, Arkansas, and Texas. Under the amendment it is proposed to reduce the 5-year average of 775,000 acres of about 10,000 producers in the three states by 20 percent, with the objective of maintaining the value of the 1934 Southern rice crop, which was approximately $27,000,000 in 1933.

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QUOTATIONS FROM SECRETARY WALLACE'S REPORT TO THE SENATE COMMITTEE ON AGRICULTURE AND FORESTRY

"The close relation between city payrolls and farmers income from livestock and livestock products indicates that recovery in the income of livestock farmers depends more upon restoration of full employment and earning power in the cities than it does upon any other single factor. Full effectiveness of all the industrial recovery efforts is therefore of dominant importance to livestock producers in securing complete restoration of their prosperity."

"Livestock products differ from crop products in that many months and even years elapse between the time the production is planned and the time it arrives on the market. This difference calls for production control methods for livestock that involve a longer period of time than is the case with annual crops. It calls for careful advance planning and a long intervening period before the plan can become effective in reducing the supplies on the market."

"The long time changes in the number of cows is still the dominant influence in the size of dairying supplies. The large increase in the numbers of milk cows during the last few years intensified the pressure on dairy markets, and is a primary cause behind recent low dairy incomes."

"The operations with wheat, cotton, and tobacco have demonstrated conclusively that farmers will cooperate in controlling their own production. By decentralizing the responsibility for making the manifold decisions involved in carrying out each of these plans, and using the full facilities of the federal-state extension services, it has been found both feasible and practical to carry through operations involving hundreds or thousands and millions of individual farmers. The success of the cotton plan in particular demonstrated that once farmers have made a promise or signed a contract as to what they will do, they will carry out these contracts almost 100 percent. In these respects the experience of 1933 is conclusive demonstration that those phases of the Agricultural Adjustment Act which its opponents declared were administratively impossible of achievement can be carried out into action. Although conceivably we might fail to readjust agriculture in the future because we were unable to devise plans which meet the needs of the situation, the experience of this year has demonstrated, that so long as plans can be devised which appeal to farmers as practical and sound and in their own interest, we will not fail because farmers will not cooperate with us or because the job of working out that cooperation is impossible."

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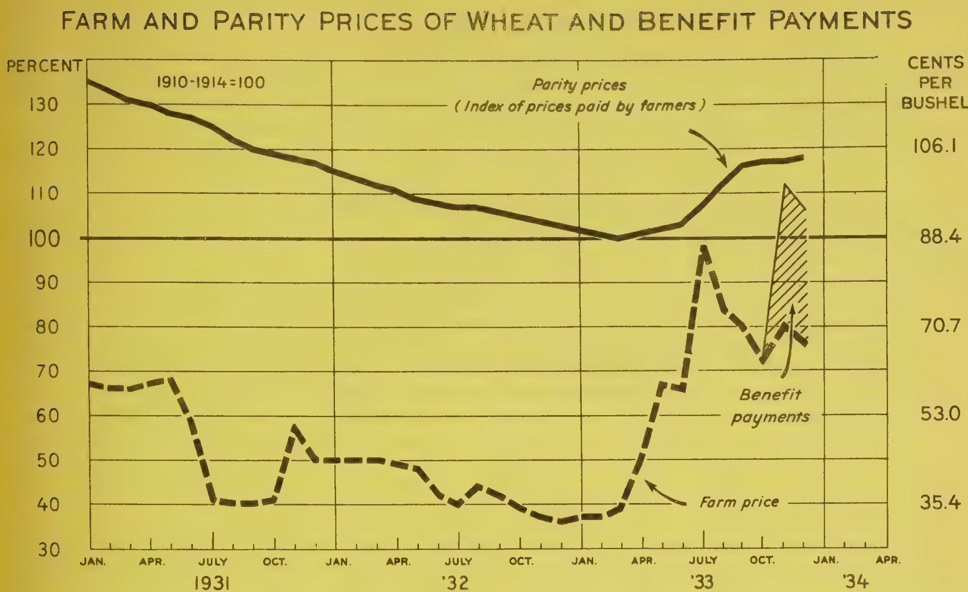

The above chart, showing farm and parity prices of wheat and benefit payments made to growers participating in the Agricultural Adjustment Administration's wheat reduction program, illustrates how benefit payments have brought farmers' 1933 returns per bushel close to parity. In 1931 the farm price of wheat fell to 35 cents per bushel, or to less than 30 percent of the parity price. General depression, and decline in prices, and curtailment in international trade were partly responsible. But wheat prices reflected certain special conditions also. World production shifted greatly during the war. After the war the countries which had increased acreage were slow to return to the pre-war level, European countries whose production had fallen off during the war sought strenuously to increase it, and exporting countries encountered severe restrictions on the importation and use. The low price did not immediately result in reduced world acreage. World wheat acreage outside Russia and China reached the peak at 263,900,000 acres in 1932-33, and dropped only to 263,300,000 in 1933-34. The world wheat market is still depressed by accumulated stocks, high production, and restrictions on international trade. Nevertheless, wheat prices in the United States are nearer to parity than they would have been had no plans been laid in this country and in cooperation with other countries to restrict supplies.

They rose above an export basis in 1933 because the United States crop was extremely small, because the Adjustment Administration launched an acreage reduction program and aided exporting in the Pacific Northwest, and because the American dollar depreciated in terms of foreign exchange. The sharp rise in the farm price during June and July is accounted for by speculative activity which later subsided. But when to the average U. S. price there is added the 28-cent adjustment payment which most growers are getting, the price received by the cooperating producers for the domestic portion of their crop is close to parity.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 17 January 27, 1934

QUESTION COTTON GROWERS ON COMPULSORY CONTROL

Questionnaires seeking to ascertain sentiment on some form of compulsory cotton production control have been sent to the South to approximately 50,000 farmers and those having daily contact with farmers. In sending the questionnaires, the Secretary of Agriculture pointed out that "the Government itself is not proposing compulsion, but wishes to ascertain the sentiment of the South. The fact that we are seeking to find out what the people of the South think of the proposal to compel by some means the reduction of cotton production is not in any sense a movement to abandon the voluntary principle of the present Act as it is working out in the cotton adjustment campaign now under way." The Secretary further said that in spite of the apparent acceptance of the 1934 cotton program by a majority of the producers there is a feeling upon the part of many who are greatly interested and concerned in the success of efforts to adjust cotton production, that there should be some method to supplement the present program. "It is important that the cotton farmers of the South recognize the implications of compulsory control," he said. The first question in the questionnaire asks if a plan of compulsory control of cotton production compelling all producers to cooperate in cotton adjustment programs is favored. The second question asks what percentage of cotton farmers in the community favor compulsory control and would cooperate in its enforcemet. If the answer to the first question favors compulsory control, the individual is requested in the third question to state which one of the following plans of control is considered preferable: (a) Impose a tax that would apply to all cotton to be ginned or sold but which in practice would operate to exempt the average production on the acreage permitted to be planted by those who cooperate voluntarily in adjustment programs. (b) Assign to each cotton producer a definite number of bales that he may gin or sell during any given season, and prohibit the ginning or selling of more than that amount. (c) Require that when a majority of cotton producers have approved an acreage reduction program, all cotton producers would be compelled to accept the program and make the necessary reductions in cotton acreage, even to the extent of licensing each farm.

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PROGRAMS ADVANCE ON BASIC COMMODITIES

Agricultural Adjustment Administration programs to bring 1934 production of basic agricultural commodities more nearly into line with effective demand are well under way. Cotton, tobacco, and corn and hog producers are signing agreements to reduce production. Wheat growers and producers of cigar type tobacco already have signed such agreements and in return for making the stipulated reductions, they are receiving adjustment payments. These specific programs already are mapped out and placed before the respective producers, and the Agricultural Adjustment Administration is concentrating efforts on developing a nation-wide dairy production adjustment plan soon to be announced.

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NEW YORK MILK PACT GETS HEARING DATE A public hearing on a tentative milk marketing agreement for the New York-New Jersey metropolitan area will be held in the Aldermanic Chambers, City Hall, New York City, on February 5. The proposed agreement relates to prices, practices and conditions in the marketing of fluid milk in the New York area. The hearing date was set after a series of conferences between Agricultural Adjustment Administration officials and representatives of producers and distributors in New York, New Jersey, Connecticut, Vermont, and Pennsylvania. Administration officials said they will not, on their own initiative, assume the responsibility of enforcing regulations in the New York-New Jersey milk shed, and that the Administration will not undertake this responsibility unless there is a clear public understanding of the questions involved and a demand on the part of producers and public interests. The nature of the evidence gathered at the hearing will have an important bearing on the question whether the Administration works out a final plan for this milk shed, and attempts enforcement of its provisions. The New York-New Jersey milk shed is the largest in volume of fluid milk consumption in the United States. The hearing will be the first since the Administration revised its milk marketing agreement policy to provide for the enforcement of prices to producers, but not enforcement of prices charged by distributors to consumers.

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HIGHER PAYMENTS TO BURLEY GROWERS Burley tobacco growers who agree to reduce 1934 production will receive increased adjustment payments if the average price for the current season is below 12 cents. This was announced by the Agricultural Adjustment Administration in response to numerous protests over prices for Burley tobacco now being sold on the markets. Signing of production adjustment agreements by Burley growers is about 60 percent completed. Under these agreements, "the first adjustment payment" is based on the net sales value of the 1933 crop. Growers who agree to reduce production 33 1/3 percent are to receive a payment of at least 10 percent of the value of their 1933 crop and growers who agree to reduce 50 percent are to receive a payment of at least 15 percent of the net sales value of the 1933 crop. The first adjustment payments provided for in the agreement are "minimum payments" and will be increased if the entire Burley crop averages below 12 cents. It is pointed out that if the average price for the current season should be as low as 10 cents, the rate of the adjustment payment for those growers who reduce 33 1/3 percent will be increased from 10 percent of the net sales value of the crop to 25 percent and the rate for those who agree to reduce 50 percent will be increased from 15 percent to 30 percent. If the market price should average 11 cents per pound, the rates of the first adjustment payment would be increased to somewhere between the minimums provided in the contract and the increase stipulated in the event of a 10-cent average. The tobacco section of the Agricultural Adjustment Administration is making an intensive study of the prices on Burley markets.

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CONSIDER REOPENING WHEAT SIGN-UP Wheat farmers in a number of States who failed to participate in the wheat acreage reduction program are requesting the Agricultural Adjustment Administration for further opportunity to apply for allotments. These requests are under consideration. Administration officials attribute much of the demand for another opportunity to sign agreements to an increased realization on the part of growers of the definite advantages of the wheat plan and the risks involved in staying out of it.

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CORN-HOG PROGRAM GETS UNDER WAY Signing agreements to reduce 1934 corn-hog production is under way in a number of States. The sign-up campaign is expected to get in full swing by the middle of next week. More than a million farmers have attended educational meetings preliminary to the actual signing of agreements. The program, which seeks to join $1\frac{1}{2}$ million corn-hog producers in a production adjustment plan, has two objectives. One is reduction of hog farrowings for the 1934 season by 16 to 20 million head under the total annual United States production, in recent years, of roughly 70 million hogs. The other is to reduce by 10 to 15 million acres the corn acreage which has been averaging 100 million acres for the past decade. Reports from the corn and hog belt indicate that a large percentage of producers will participate in the program.

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COTTON OPTIONS ASSIGNED TO POOL A total of 391,485 option holders have elected to pool a total of 1,712,442 bales of cotton up to and including January 22 and a total of 84,738 option holders have elected to have 298,900 bales of cotton covered by the options sold during the same period. To cover the orders of sale, 298,900 bales of cotton futures contracts have been sold on the New York and New Orleans exchanges. There are outstanding 95,817 options representing 417,662 bales. The holders of these options have until January 31 to take advantage of the privilege of pooling the cotton covered by their options; or at their election they may have until May 1, 1935, for ordering the sale of the cotton.

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MARKETING AGREEMENT FOR CALIFORNIA ASPARAGUS A marketing agreement for the fresh asparagus industry of California has been tentatively approved by the Secretary of Agriculture and submitted to members of the industry for signature. Upon its return to the Secretary, it will be considered for final approval. The proposed agreement seeks to increase returns to producers through regulation of supply under the proration principle. It is anticipated that the agreement will become effective in time to apply to this year's crop, as California producers supply the market with fresh asparagus from late February to early May.

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PEANUT MILLERS UNDER LICENSE A marketing agreement and license for peanut millers have been approved by the Secretary of Agriculture, effective January 27. The terms of the agreement and license establish a schedule of minimum prices to be paid peanut growers. A control board of 10 members is set up to supervise adherence of millers to the terms of the license and agreement and to investigate and make recommendations upon methods for control of marketing and production. Other provisions of the agreement and license cover minimum charges for storage and terms and conditions of sale.

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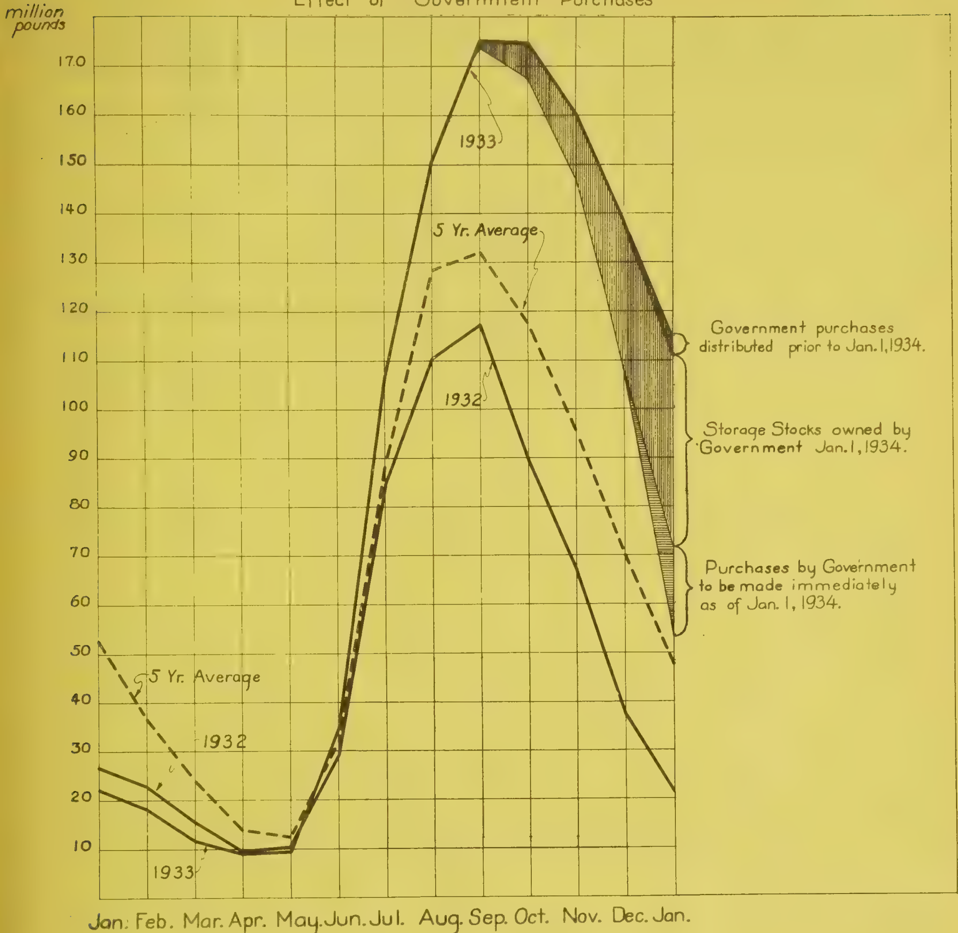
Storage Holdings - Creamery Butter - 1932, 1933.
Effect of Government Purchases



Effect of government purchases of butter in reducing the large storage stocks of butter to within 5,706,000 pounds of the 5-year average, is shown by the above chart. Total butter holdings in storage were 111,210,000 pounds on January 1, 1934. Of this amount, the Government owned 39,932,000 pounds. Additional purchases committed and to be made soon after January 1, bring commercial holdings of butter in storage close to the average on January 1 during 1929 to 1933 inclusive. By removing a large portion of the butter holdings the Federal purchases have materially reduced commercial storage supplies. Butter purchased by the Government is for distribution to needy and unemployed who are unable to buy through commercial channels.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 18 February 3, 1934

IOWA LEADING IN CORN-HOG SIGN-UP

Iowa, the leading corn and hog producing State, is pointing the way in the corn-hog reduction sign-up campaign of the Agricultural Adjustment Administration. In addition to Iowa, signing of corn-hog reduction agreements on a state-wide basis is under way in Ohio, Indiana, Kansas, Wisconsin, Illinois, Minnesota, Nebraska, and Missouri. Snow in Northern States and cotton reduction campaigns in Southern States are delaying the corn-hog efforts in those sections. Reports received from more than 20 of the leading corn-hog States indicate that farmers are keenly interested in the program.

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FARMERS IN 35 STATES GET WHEAT CHECKS

Payments in the wheat adjustment program of the Agricultural Adjustment Administration have reached a total of $43,716,794 made to 519,644 farmers in 35 States. All except about 50 counties have submitted their agreements to the Administration. More than 1700 counties have had agreements approved by the county acceptance unit, but many of these remain to be individually audited before payment. The payments are the first installment of 20 cents a bushel on each farmer's allotment, The second payment of 8 cents a bushel, from which the operating costs of each county production control association will be deducted, is scheduled to be made after wheat growers have shown that they have compiled with the terms of the wheat reduction agreement. Payments by States up to January 30 are: Arizona, $11,622; California, $535,268; Colorado, $1,147,638; Delaware, $56,751; Idaho, $1,598,886; Illinois, $1,480,590; Indiana, $1,166,936; Iowa, $255,801; Kansas, $14,529,392; Kentucky, $159,227; Maryland, $518,042; Michigan, $513,731; Minnesota, $516,361; Missouri, $928,124; Montana, $736,465; Nebraska, $3,410,789; New Jersey, $7,169; New Mexico, $320,697; New York, $25,978; Nevada, $15,985; North Carolina, $31,561; North Dakota, $720,887; Ohio, $1,096,375; Oklahoma, $2,383,084; Oregon $1,137,759; Pennsylvania $144,815; South Dakota, $2,814,720; Tennessee, $77,277; Texas, $2,923,528; Utah, $410,051; Virginia, $355,466; Washington, $2,784,728; West Virginia, $15,481; Wisconsin, $45,531; Wyoming, $170,934.

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U. S. TO FULFILL WHEAT AGREEMENT

The United States will take steps to fulfill completely its commitment to reduce wheat acreage by 15 percent in accordance with the terms of the International Wheat Agreement, it was stated by representatives of this country attending the meeting of the International Wheat Advisory Committee at London.

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AUDIT SHOWS MILK PROFITS

Distributors in four of America's largest milk sheds, for the five years ending December 31, 1933 made a net profit of 25.71 percent on their net plant investment, audits completed by auditors for the Agricultural Adjustment Administration revealed. The four milk sheds are Philadelphia, Boston, St. Louis, and Chicago. The net profits for distributors in the different milk sheds for the five-year period as shown by the audit are; Philadelphia (distributors handling 85 percent of volume) -- 30.76 percent; Boston (distributors handling 75 percent of volume) -- 22.45 percent; St. Louis (distributors handling 67 percent of volume) -- 14.64 percent; Chicago (distributors handling 90 percent of volume) -- 25.84 percent.

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LEADERS CONFER ON DAIRY AND BEEF PLANS

Representatives of the dairy and beef cattle industries conferred with members of Congress and officials of the Agricultural Adjustment Administration on plans for improving conditions in the two important branches of agriculture. A plan for emergency aid for dairy and beef farmers provided by a direct appropriation of 200 million dollars over and above the processing taxes available for the current year was discussed. The Secretary of Agriculture said that because the effect of processing taxes on producers' prices tends to disappear as oversupply is removed and consumer purchasing power recovers, the 200 million dollar authorization should be accompanied by a proviso that the money be repaid later out of processing tax receipts. A program for the dairy industry is being mapped out and is to be followed by one for the beef cattle industry if beef cattle are designated as a basic commodity by an amendment to the Agricultural Adjustment Act. The dairy program, it was pointed out, is entirely in the nature of an offer to the industry, based on the study of numerous proposals that have been submitted to the Agricultural Adjustment Administration. This program will be taken to the farmers and is subject to any changes which discussion shows to be advantageous. The Agricultural Adjustment Administration, it was indicated, will proceed only if there is strong evidence of the dairy industry's support.

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HOG PROCESSING TAX AT $1.50 RATE

The processing tax on the slaughtering of live hogs, levied under the Agricultural Adjustment Act, was increased from the $1 rate to the rate of $1.50 per hundredweight February 1, as scheduled in the hog regulations. Another increase in the rate of the tax to $2.25 per hundredweight is scheduled to become effective March 1. Money collected from the processing tax is to be used to finance the 350 million dollar corn-hog production adjustment program now under way. This money will go to farmers who participate in the program and will constitute a substantial addition to the income of these hog producers.

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EXPECT 95 PERCENT BURLEY SIGN-UP

The Burley tobacco acreage reduction sign-up campaign now under way will end February 17, the Agricultural Adjustment Administration announced. Nearly 85 per cent of the growers have already signed agreements to reduce production in 1934. Indications are that by the final date for signing agreements, at least 95 percent of the Burley producers will have agreed to participate in the program. Indications are that the 1934 crop may be below 250 million pounds. Such a crop would be the smallest since 1927. According to preliminary reports received January 31, the percentage sign-up in the various Burley States is as follows: Kentucky, 80 percent; Tennessee, 90 percent; Indiana, 75 percent; Virginia, 92 percent; West Virginia, 60 percent.

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ADMINISTRATIVE RULINGS ON CORN-HOG PROGRAM

A new ruling on the corn-hog reduction agreement permits all hog producers, regardless of the size of their base production average, to qualify for hog reduction payments by reducing their litter average and production of hogs for market by not less than 25 percent. A previous ruling specified that if the 1932-33 litter average was less than three, farmers signing the agreement were not required to reduce hog production in 1934, and in any event were not eligible to receive any hog reduction payments under the agreement. The change was made in consideration of an unexpected interest in the program among farmers producing an average fewer than three litters per year, and to give these farmers an opportunity to share in the proceeds from the processing tax which is collected on the slaughtering of all hogs for market, regardless of by whom sold. At the same time, a new regulation was announced exempting farmers from paying the processing tax on 300 pounds or less of hog products sold or exchanged in a marketing year, and derived from hogs of their own raising which they have butchered, providing that their total volume of hog products so sold or exchanged does not exceed 1000 pounds per marketing year. If the volume exceeds 1000 pounds, the producer loses his exemption. An amendment to an administrative ruling on the corn-hog adjustment agreement extends to 10 years instead of five, the base period for determining corn yields on the contracted acres, in order to provide for unusual weather and other conditions affecting yield.

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EXTEND COTTON SIGN-UP TO FEB.15.

The cotton growers will have until February 15 to sign 1934-35 cotton acreage adjustment agreements. The sign-up was scheduled to end January 31, but the delay of necessary supplies in reaching field workers, and the fact that many county organizations were just finishing work in connection with pooling of cotton options and other sign-up campaigns, combined with a demand for lowering the minimum per acre poundage to 75 pounds by farmers who wished to cooperate but found themselves barred by the 100 pound limit, resulted in the extension of the closing date. The first county to report completion of its sign-up quota was Pulaski County, Ark. The sign-up there is still under way. Reports from the 16 cotton States indicate that the sign-up campaign is making splendid progress. Farmers producing 5 acres or less of cotton during the base period will be eligible to sign reduction agreements for their entire acreage, or for a portion of their acreage of not less than 2 acres, according to an amendment to an administrative ruling. This will permit a number of small producers to cooperate in the cotton reduction program.

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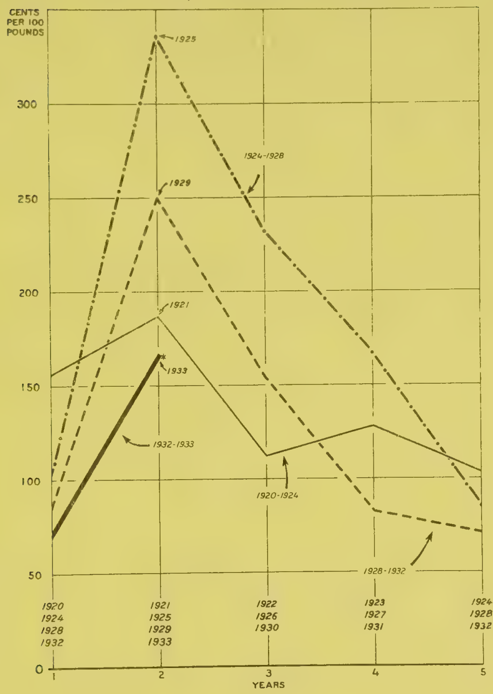
POTATOES, ROUND WHITES: AVERAGE PRICES PER 100 POUNDS
AT CHICAGO, SEPTEMBER-MAY, 1920-1933



The tendency of high prices to set in motion forces that bring about a subsequent lowering of the potato price level, is shown by the above chart. In 1925 there was a situation similar to the present one. The short crop, due to reduced acreage and low yields, raised the price of potatoes to about $3.40 per 100 pounds at Chicago, and this favorable situation was followed by improved yields and expanded acreage for the three following years, culminating in the record crop of 1928, which brought prices down to about 80 cents per 100 pounds. In 1929 acreage was reduced to less than 3 million acres for the first time since 1924, and returns were again better than for any crop since 1926. The downward cycle then again set in, with prices falling rapidly, and farm returns diminished as acreage expanded. At the bottom of this downward trend potatoes sold at Chicago for only about 70 cents per 100 pounds in the 1932 season. Farmers in that year received a total income from potatoes of only 136 million dollars, as against 433 million dollars from the 1929 crop. In 1933 an unfavorable season curtailed what would otherwise have been a large crop, and prices again rose to a peak of over $1.60 per 100 pounds. Prospects for normal yields in 1934 and acreage expansion particularly in 1935 are the chief danger signals ahead for a repetition of a downward price movement. Looking toward improving prospects for potato growers, the Agricultural Adjustment Administration is tentatively developing marketing agreements with shippers to bring about orderly marketing and to prevent the anticipated large crop from having its usual depressing effect on prices received by producers.

NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 19 February 10, 1934

NEW MILK PACTS READY FOR MARKETS

Four milk shed licenses conforming to the new milk marketing agreement policy of the Agricultural Adjustment Administration, are scheduled to go into effect as soon as they are signed by the Secretary of Agriculture. These licenses will cover distributors in Des Moines, Iowa; Omaha, Neb.; the Twin Cities of Minnesota, and Evansville, Ind. Drafts of agreements under the new policy have been submitted for consideration to producers' groups in Detroit, San Francisco, Oakland, San Diego, Louisville, New Orleans, Knoxville, Baltimore, Richmond, and the Quad Cities of Iowa and Illinois. Special conferences are now in progress with producers groups and state milk control boards, where necessary, on proposed agreements and licenses for Detroit, Los Angeles, St. Louis, Philadelphia, and Oklahoma City.

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CORN-HOG GROWERS SIGN REDUCTION AGREEMENTS

Actual signing of corn and hog reduction agreements is getting under way in a number of States as meetings to acquaint farmers with details of the program are coming to a close. Iowa, where about 16 percent of the Nation's corn and 25 percent of the hogs slaughtered under Federal inspection are produced, leads with over 75,000 agreements signed by farmers. Missouri reports 21,000 agreements signed and the campaign is just getting started. In 26 counties of Illinois, farmers are beginning to sign, and with approximately 7,000 agreements already signed, reports show satisfactory progress. Farmers in 15 counties of Ohio have already started signing agreements and by next week farmers in 44 counties will begin. Oklahoma, while reporting the corn-hog program delayed because of the cotton and tobacco campaigns, has close to 5,000 corn-hog agreements already signed by producers. South Dakota also reported about 5,000 agreements signed with the campaign just beginning in 58 counties. Among the States reporting signed agreements are Minnesota, Texas, and California. Other States are conducting educational meetings and as soon as these are completed, farmers will begin signing the corn-hog agreements.

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RECOMMEND CONTROL PEANUT PRODUCTION

The peanut marketing agreement control board has recommended to the Secretary of Agriculture that peanuts be made a basic commodity under the Agricultural Adjustment Act and that a production control program be developed for the peanut growing industry. The board, which consists of five peanut growers and five peanut millers, organized in Washington this week and elected H. C. Smither, president of the Columbian Peanut Company of Norfolk, Va., chairman; H. A. Petty, peanut grower of Dawson, Ga., vice-chairman; and A. H. Ochsner, peanut grower of Spring Grove, Va., secretary. A sub-committee of the board will confer with officials of the Agricultural Adjustment Administration on February 12 to further consider a program for production control.

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CHICAGO LICENSE FIRST UNDER NEW MILK POLICY

The first license applied to a milk shed under the new milk agreement policy of the Agricultural Adjustment Administration was made effective February 5, for the Chicago area. The new license replaces that which supplemented the agreement terminated January 8. The new Chicago license sets minimum prices for 100 pounds of milk of 3.5 percent butterfat content to the producer as follows: Class I, for distribution as fluid milk, $1.75; Class II, for producing cream $1.25; and Class III, surplus milk, 3½ times the average wholesale price per pound of 92 score butter in the Chicago market. Adjustments are made on the basis of 4 cents per hundred pounds for each one-tenth of one percent above or below 3.5 percent butterfat content. The license provides for establishment of an adjustment pool, through which milk purchases made by distributors are equalized. The new policy on milk agreements and licenses is to establish prices to producers but not to consumers.

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RECORD BOOK FOR COOPERATING FARMERS

Farmers who participate in production adjustment programs are to be furnished with record books to serve as a basis for assembling information required by the Agricultural Adjustment Administration and to aid them in planning future operations. The record book will provide forms for taking crop inventories of all basic commodities, as well as beef and dairy products, at the beginning and end of each year. Also included are forms for records of crops bought and sold; a crop production summary, showing the usage of the land and a lay out for a crop-map of the farm; crops processed for family food; use of contracted or rented acreage; and net income from the production of crops. The new record book is not intended to supersede other accounting systems now in use by farmers, but is primarily for recording production and disposal of basic commodities. The records will also serve as a basis for statistical reports for the crop and livestock estimates division of the Department of Agriculture. and for applications for production loans from the Farm Credit Administration.

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NEW OPTION OFFERED TO BURLEY GROWERS

Burley tobacco growers whose production in both 1932 and 1933 was abnormally low because of drought, flood, hail or storm damage, have been granted an additional option in the Burley tobacco adjustment agreement, which would provide a base of 70 percent of the 1931 acreage and 60 percent of the 1931 production. This new option will make it possible for these particular growers to take part in the program, and may be used only if the producer is able to furnish evidence satisfactory to the county control committee that the abnormally low production in 1932 and 1933 was actually due to drought, hail, or storm damage. The Burley sign-up campaign closes February 17, and growers will be given until that date to fill out agreements and to file their requests for permission to use the new option.

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COMMITTEE TO SUPERVISE CHICK HATCHERY CODE

Selection of 21 members to the National Commercial and Breeder Hatchery Coordinating Committee, to supervise the code of fair competition for tht Commercial Breeder and Hatchery Industry, as provided for in the code, has been approved by the Secretary of Agriculture. The members of the coordinating committee were selected by the board of directors of the International Baby Chick Association, the Northeastern Poultry Producers' Council, and the American Poultry Association. The Committee is composed of: B. C. Young, Bellingham, Wash.; E. A. Nisson, Petaluma, Calif.; A. H. Demke, El Paso, Texas; H. S. Cox, Guthrie, Oklahoma; J. H. Wood, Athens, Ga.; D. D. Slade, Lexington, Ky.; Dr. E. E. Boyd, Stafford, Kan.; Mrs. Alvana Bernard, Jefferson, S. D.; C. S. Vickers, Columbus, Ohio; C. I. Bashore, Silver Lake, Ind.; Frank Gripton, Gurnee, Ill.; V. C. Ramseyer, Oskaloosa, Ia.; K. I. Miller, Lancaster, Mo.; W. A. Downs, Romeo, Mich,; E. B. Anderson, Northfield, Minn.; Keith B Ridgway, LaRue, Ohio; selected by the board of directors of the International Baby Chick Association. F. R. Hazard, Saunderstown, R. I.; Prof. James E. Rick, Ithaca, N. Y.; Elmer H. Wene, Vineland, N. J.; C. Henry Hocker, Milanville, Pa.; selected by the board of directors of the Northeastern Poultry Producers' Council. D. E. Hale, Glen Ellyn, Ill., selected by the board of directors of the American Poultry Association.

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PACIFIC SLOPE POULTRY CODE GETS HEARING

A public hearing on a proposed code of fair competition for the marketing branches of the Pacific Slope region egg and poultry industry will be held February 21, at the Hotel Whitcomb, San Francisco, Calif. The code was submitted to the Agricultural Adjustment Administration by the Pacific States Butter, Egg, Cheese, and Poultry Association. It would govern trade practices and wages and conditions of labor and would provide for posting prices paid to producers, and would prohibit excessive feeding. A code authority of 20 members would be established to administer its provisions. The area would be divided into 10 districts in California, Oregon, Washington, Idaho, Montana, Nevada, Arizona, and Utah, with administration in each district in charge of a district committee selected by members of the industry.

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PEANUT MILLER'S AGREEMENT CONTROL BOARD NAMED

Appointment of five miller-members to the board of control provided for under the marketing agreement with millers of raw peanuts has been approved by the Secretary of Agriculture, who at the same time designated five grower-members to the board. The appointments and designations were made as of January 29. Representatives selected by millers in the Virginia area whose appointments were approved, are: H. C. Smither of Norfolk and Charles F. Taylor of Suffolk, Va. Representatives selected by millers in the Southeastern area are: W. A. Richards of Columbus and N. B. Solomon of Blakeley, Ga., N. T. Haskins of DeLeon, Tex., was appointed to represent the millers in the Southwestern area. Grower-members were designated from nominees of agricultural extension directors in the various areas. They are: Virginia area, A. H. Ochsner of Spring Grove, Va., and Sam Clark of Tarboro, N.C.; Southeastern area, H. A. Petty of Dawson, Ga., and Oscar Deloney of Ozark, Ala.; Southwestern area, W. B. Starr of Cisco, Tex.

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CREDIT CORPORATION LOANS ON COTTON AND CORN

Disbursements by the Commodity Credit Corporation up to February 2, exceeded 136 million dollars. Included in this were loans totalling $58,240,123.40 for cotton, and $46,347,021.11 for corn. In addition the corporation had disbursed $31,937,320.64 to growers as option advances on Government-held cotton. Funds disbursed by the corporation for cotton and corn loans do not represent the total borrowed by producers. It is estimated that an additional 50 million dollars has been loaned cotton producers by banks, factors, warehousemen and other private lending agencies who are holding producers' notes with the assurance that the Commodity Credit Corporation will purchase this paper at par with accrued interest any time before July 31, 1934. Corn loans are also being made by banks and other private lending agencies, but figures are not available on the amounts of loans extended through these agencies. Loans to farmers on cotton and corn are being made for the purpose of enabling these producers to market these two commodities in an orderly manner and not to be forced to sell at low prices because they need cash.

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NAVAL STORES AGREEMENT NEARS APPROVAL

The marketing agreement for gum turpentine and rosin processors is expected to become effective February 19. A formal hearing on this agreement was held at Jacksonville, Fla., November 20. It was tentatively approved by the Secretary of Agriculture, January 2. The agreement is designed to increase the income of producers of gum turpentine and rosin, through a better adjustment of supply to demand and through general stabilization of the industry. It would also act as a conservation measure. Processors who would be affected by the agreement are scattered through North Carolina, South Carolina, Georgia, Florida, Alabama and Mississippi.

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HEARING SET FOR CORN CANNER'S AGREEMENT

A public hearing on a proposed marketing agreement for the canned corn industry will be held February 15, at the Mayflower Hotel, Washington, D. C. Under the proposed agreement growers would be guaranteed a minimum price, which would vary according to the type of corn and the district in which it was sold. The agreement would seek to control the amount of the total corn pack by a system of allocation to canners on the basis of their average pack during the period from 1928 to 1933, inclusive.

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THREE TOBACCO AGREEMENTS GET TENTATIVE APPROVAL

Three marketing agreements for dark air-cured and fire-cured tobacco, which are designed to improve prices to growers, have been tentatively approved and sent to contracting tobacco firms for their signatures. The agreements cover practically the entire amount of fire-cured and dark air-cured types of tobacco used in domestic trade and a large portion sold for export. They provide for the purchase of specified minimum quantities of tobacco at certain minimum average prices.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 20 February 17, 1934.

EXTEND TIME FOR MAKING CORN LOANS

The expiration date for granting loans to farmers on ear corn stored on the farm has been extended from March 1 to April 1. At the request of the Secretary of Agriculture, the extension was granted to accommodate farmers in States where there has been delay in setting up the farm warehousing laws, and for the benefit of producers who had to postpone obtaining loans until complete details on the 1934 corn-hog reduction agreement and supplementary administrative rulings were available. The corn loans are made through the Commodity Credit Corporation, and thus far approximately 70 million dollars has been loaned to farmers on corn stored on the farm. Recent improvement in corn prices at the cash markets has, to some extent, reduced the number of farmers taking advantage of the loan offer. Loans are being made on farm warehoused corn in Nebraska, Kansas, Iowa, Illinois, Indiana, Ohio, Missouri, Colorado, South Dakota and Minnesota. The loan rate is 45 cents per bushel, the rate of interest 4 percent, and the maturity date of the notes given by borrowers is August 1, 1934. In Michigan and Wisconsin where there are no farm warehousing arrangements, loans are being made up to May 1, 1934, on shelled corn graded No. 3 or better, with moisture content not exceeding 15½ percent, stored in grain elevators or other public warehouses approved by the Commodity Credit Corporation.

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COTTON PROGRAM MADE EFFECTIVE

A sufficient number of cotton production adjustment agreements for 1934 have been signed to warrant the Secretary of Agriculture in declaring the program effective and accepting prducers' agreements which are in proper form and receive administrative approval. Individual acceptances will be sent to producers who have signed agreements to reduce their 1934 cotton acreage by from 35 to 45 percent. The total cost of the 1934 cotton adjustment program is estimated at 130 million dollars, of which approximately 50 million dollars will be distributed to producers this spring. Field forces are given a reasonable time to complete their work and to finish negotiations with individual producers who have not yet signed agreements.

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FARMERS SUPPORT CORN-HOG PROGRAM

Opinion throughout the middlewestern areas is that around 90 percent of the farmers growing corn and hogs will participate in the corn-hog adjustment program, according to the chief of the corn and hog section of the Agricultural Adjustment Administration, who has just returned from a trip through the Corn Belt States. The bulk of the corn-hog adjustment agreements are expected to be signed before the end of the month, he said.

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PACKERS CONSIDER MARKETING AGREEMENT

The Institute of American Meat Packers has under consideration a proposed marketing agreement for the meat industry which was developed out of recent discussions by packers, producers, and the Agricultural Adjustment Administration. It is an outline under which future marketing programs, intended to benefit cattle, hog, and sheep producers may be worked out by processors and producers with the approval of the Secretary of Agriculture. It provides that as these policies are definitely formulated and approved they shall become part of the marketing agreement. The tentative draft requires that savings or reductions in expenses, made possible as a result of the agreement, shall be divided equitably among producers, consumers, and processors. It provides for such reports from processors as may be required by the Secretary of Agriculture, and authorizes examination of books and records of processors, their affiliates, and subsidiaries, for the purpose of ascertaining facts required to determine how the agreement is working and the extent to which it is functioning in the public interest. Machinery for formulating definite policies and programs for the different types of livestock is provided for in the proposed agreement through a processors' committee to work in cooperation with producers' committees. Six members of the executive committee of the Institute of American Meat Packers would represent processors, while separate committees of five members each would represent the cattle, hog, and sheep growers, with the membership of all committees subject to approval of the Secretary of Agriculture.

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CALIFORNIA ASPARAGUS AGREEMENT READY

A marketing agreement for the California canned asparagus industry has been tentatively approved by the Secretary of Agriculture and sent to canners for signatures. The agreement seeks to increase returns to growers. Under its provisions no minimum prices would be established, but the total pack for the 1934 season would be limited, and no allocation of pack would be made to canners. It was the opinion of canners and growers who sponsored the agreement that by allowing canners to compete during the canning season in the purchase of their packing requirements, with control of the combined total pack, the prices paid growers would be substantially increased. Under the agreement, asparagus packing would not begin until April 1, and all canning operations would cease upon a closing date set by the control committee, organized to supervise the performance of the agreement. To assure performance of the agreement all canners would be under a license.

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FARM EDITORS TO CONFER

Agricultural editors from every section of the United States have been invited to attend a series of informal conferences with officials of the Department of Agriculture and the Agricultural Adjustment Administration, during the three days, February 22 to 24 ,inclusive. More than 40 are expected to attend. The program includes consultations with Government officials on agricultural opportunities and problems.

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LICENSE DISTRIBUTORS IN TWO MILK CENTERS

Licenses governing the sale of milk to distributors, and prices paid producers in two sales areas have been made effective in conformity with the new policy of the Agricultural Adjustment Administration. A license for milk distributors in the St. Paul and Minneapolis sales area became effective February 16. A license for milk distributors in the Des Moines sales area became effective February 14. In the new licenses for the two sales areas, schedules for resale prices to consumers are limited to provisions for low minimum retail and wholesale figures. These provisions are made to protect producers' prices and to prevent unfair competition. They do not apply to sales made to any public unemployment relief agency or any private unemployment relief agency cooperating with, or accredited by, such public relief agency, or to any charitable institution or hospital, or to Government purchases handled on bids. The two licenses fix the producers' price at a minimum of $1.60 per 100 pounds of 3.5 percent, Class I milk, f.o.b. the cities. This price is declared to be substantially in line with competitive conditions. Minimum prices for other classes of milk are scheduled accordingly.

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SOUTHERN RICE PACT TENTATIVELY APPROVED

A marketing agreement for the Southern rice milling industry, which provides for a crop-adjustment plan for rice grown in Louisiana, Arkansas and Texas, has been tentatively approved by the Secretary of Agriculture and submitted to rice millers for signature. It also provides for allocation to each of the three States a total quantity of rice to be produced during the crop year. Acreages would be allotted under the agreement and production quotas set for individual producers who apply for them. Adjustment payments to producers who are parties to the agreement would be made from a trust fund provided for in the agreement, into which millers would pay 40 percent of the price of each lot of rice purchased. Minimum prices for their quotas of rice are guranteed producers.

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HEARING ON AGREEMENT FOR PEA CANNERS

A public hearing on a proposed two-year marketing agreement for the canned pea industry will be held in Chicago, February 19. The proposed agreement provides for minimum prices to growers for the 1934 and 1935 season, and for allocation of the total pack by regions.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 21 February 24, 1934

MILK POLICY SEEKS CORRECTION OF MARKET EVILS

Elimination of long standing devices for collecting unjustifiable service charges, and other practices of distributors which have cost milk producers substantial sums of money, are sought through the Agricultural Adjustment Administration's new policy on milk-marketing agreements and licenses. Among the improvements proposed under new licenses and agreements either pending or in force are: 1. Perfection of a pool plan designed to assure farmers that they will be paid for milk sold to distributors according to the use for which consumers are charged. This is intended to abolish the practice, followed by some distributors, of paying for milk at low Class 2 or Class 3 prices and selling it in bottles at high Class 1 prices, pocketing the difference. 2. Elimination of the practice of collecting farmers' freight charges on milk based on high less-than-carload-lot railroad freight tariffs when the milk was actually shipped in carload lots at much lower rates, or transported at even less cost in tank cars or in tank trucks. 3. Reduction of country station charges for weighing, testing and cooling milk wherever such charges are not found to be commensurate with reasonable costs. On some markets this charge has been unjustifiably high. It is reduced from 22 cents to 16 cents per hundred pounds in the proposed new Philadelphia license. 4. Elimination of terminal charges, where such charges still prevail, assessed against farmers by distributors on milk shipped to plants f.o.b. city. The Administrators of the Agricultural Adjustment Act consider that such charges for handling milk are properly part of the distribution cost and should not be deducted from the farm price. If the proposed new milk license for Philadelphia is accepted, this provision alone will mean a saving to farmers of 6 cents per 100 pounds. 5. Requirement that distributors, by posting bonds or otherwise, prove their financial responsibility. This requirement is designed to prevent certain scattered, irresponsible distributors from cheating farmers by buying milk on extended credit and later failing to settle their accounts with farmers. Each license also limits the extent of such credit by setting a date on which farmers must be paid for each month's milk.

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COTTON GROWERS CUT ACREAGE

Over 14 million acres have been offered for reduction in the 875,970 cotton adjustment agreements tentatively examined up to February 21. Indications are that the total reduction in 1934 cotton acreage will be more than 15 million acres.

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MID-WEST SPEEDS CORN-HOG PROGRAM

The middlewestern States, where the bulk of the Nation's corn and hogs are produced, are expected to complete the corn-hog campaign early in March with a high percentage of corn-hog production adjustment agreements signed by farmers. More than 400,000 producers in these States have already signed agreements. Iowa is in the lead with 130,000 signed, representing more than 80 percent of the corn and hog producers of the State. Illinois reports close to 50,000 agreements signed. Other States reporting are; Missouri, 42,000; Nebraska 22,000; Kansas, 19,000; Minnesota, 50,000; South Dakota, 13,000; Indiana, 30,000; Ohio, 25,000; and Wisconsin, 15,000. In States outside the middlewest the corn-hog campaign work is just getting started with a considerable number of agreements already signed at initial meetings.

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CORN LOANS COST FARMERS UNDER 3 CENTS

Loans on farm-warehoused corn cost farmers between 2 cents and 3 cents per bushel on corn placed under seal as collateral, the Commodity Credit Corporation announced. This charge includes initial cost of inspection, sealing, and interest and insurance for the 10-month period. Loans on corn to farmers have been disbursed at the rate of a million dollars a day. Corn now sealed in farm warehouses in 10 States where the bulk of the loans are being made, is eligible for total loans of about 75 million dollars. The loan rate is 45 cents per bushel; the rate of interest 4 percent; and the maturity date of notes given by borrowers is August 1, 1934. The average loan per farm is on approximately 1,500 bushels of corn. The difference in cost of obtaining the loan is due to the variance in charges for inspection and sealing in the several States. Loans on farm-warehoused corn are being made in Nebraska, Kansas, Iowa, Illinois, Indiana, Ohio, Missouri, Colorado, South Dakota, and Minnesota.

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FINANCIAL COMPANIES BACK CORN-HOG PLAN

Financial institutions such as insurance companies and banks, which own, control, or operate large tracts of land, have pledged support of the corn-hog adjustment program. One of the largest groups backing the program is the Farm Mortgage Conference of Insurance Companies, representing 16 organizations which own about 60,000 farms.

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WILL MAKE PUBLIC PRODUCER'S FIGURES

Information on production and other figures from producers who sign corn-hog adjustment agreements, will be made public in order to give all producers an opportunity to check with their community committeemen any statements believed to be inaccurate. Confidential reports, either written or verbal, may be made to local committeemen. In most cases, the information will be published in the newspapers of the counties in which producers sign agreements and form county production control associations. Decision as to the manner of publication and allocation among newspapers, and the agreement on printing rates for such publication will be made by each county association which is to be responsible for its own publication cost.

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MOVES TO ENFORCE CHICAGO MILK LICENSE

The Agricultural Adjustment Administration took the first move to enforce prices paid producers by distributors under the new milk license for the Chicago area by issuing orders to two distributors requiring them to show cause why their licenses should not be suspended or revoked. The orders charge the Peoples Dairy Company, Inc., Cicero, and Lloyd V. Shissler, Lombard, Du Page County, Illinois, with making purchases of milk from producers contrary to the schedule named in the license. Among other charges are that these distributors have not obtained permits from the market administrator to buy milk from certain producers who were not previously selling milk to the distributors in the Chicago sales area; charges that they have not submitted written reports to the narket administrator in accordance with the conditions of the license; and charges that two parties have entered into contracts with Wisconsin producers, since the effective date of the license, to buy milk at a flat price of $1.40 per hundredweight, which is less than the established license price. The two distributors are required to file answers on or before March 3. If the answers returned are not deemed satisfactory to the Secretary of Agriculture, further procedure toward enforcement of the license will follow in conformity with the regulations issued under the Agricultural Adjustment Act. Enforcement of prices paid farmers for milk purchased by distributors as provided in the license is undertaken by the Administration as part of its new milk policy, which is based upon protecting producer prices without attempting to maintain fixed retail prices.

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OMAHA-COUNCIL BLUFFS MILK AGREEMENT IN EFFECT

A license for distributors of milk and cream in the sales area of Omaha, Nebr., and Council Bluffs, Ia., became effective February 23. Distributors are uniformly licensed to pay producers a minimum price of $1.60 per hundred pounds of Class I milk testing 3.5 percent butterfat f.o.b. city plants. This price is deemed to be substantially in line with competitive conditions and a differential of 3 cents per point in the fat test above or below the standard test is included. Prices for other classes of milk are scheduled accordingly. To protect producers' prices and to prevent unfair competition on low market levels, low minimum retail and wholesale prices are listed below which sales by distributors may not be made, except to bona fide sales made to recognized public and private charity, welfare and unemployment relief agencies. Distributors are required to submit reports as well as give the representative of the Secretary of Agriculture the right to examine their books and records to verify their statements and provide adequate market data.

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HEARINGS CALLED ON THREE MILK AGREEMENTS

Public hearings on proposed milk marketing agreements for three areas have been set. One will be for the sales area of Cedar Rapids, Ia., to be held at the Roosevelt Hotel in that City, March 2. Another will be for the Lexington, Ky., area, scheduled for February 26, at the Lafayette Hotel in Lexington. The third hearing will be for the Indianapolis, Ind., sales area, February 28, at the Lincoln Hotel, Indianapolis.

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TOBACCO PROGRAM FOR PUERTO RICO

A production adjustment program for Puerto Rico under which growers of cigar-filler tobacco will be offered agreements to reduce the crop being harvested and the acreage to be planted next season, has been announced. It is the first program to be announced for insular possessions or territories under the Agricultural Adjustment Act. Approximately $1,750,000 will be paid growers who cooperate. The agreement to be offered will require growers to leave unharvested all of their second and third crops of tobacco on their acreage this season. They will also be asked to reduce the acreage planted for the 1934-35 crop by either 40 percent or 25 percent of the base acreage. If a grower chooses the 25 percent reduction, he will be permitted to harvest but one crop from the acreage grown. If he elects to reduce acreage by 40 percent, a second harvest may be made. The agreement offers growers two choices as to base acreage, which may be either the average planted to tobacco in the crop years 1929-30, 1930-31, 1932-33, and 1933-34, or may be 85 percent of the average planted in any three of those crop years. If all tobacco growers in Puerto Rico participate in the program there would result a 15 percent reduction in the present crop, and a 33 percent reduction in the 1934-35 crop. Thus production for the present year would be approximately equal to consumption, while the crop next season would be about 20 percent below consumption, bringing about a substantial reduction in the carryover of old tobacco.

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NAVAL STORES INDUSTRY GETS MARKETING PACT

A marketing agreement for the gum turpentine and gum rosin processing industry became effective February 21. A licensing order makes the terms of the agreement effective upon all processors, whether they signed the agreement or not. A provision under which identification tags must accompany shipments of the gum and rosin products, will become effective April 2, after the control committee has been organized and has had an opportunity to make this provision fully effective. Organization of the control committee is to be completed by March 1. The committee is to have three members each from Georgia and Florida, one member from Alabama, one from North Carolina or South Carolina, and one from Mississippi or Louisiana or Texas. Only processors signatory to the agreement are entitled to assist in selecting the control committee. The agreement, which seeks to improve the return to producers through adjustment of supply, provides for quotas to be allotted by the control committee to the processors, based on production during the last four years.

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STOCKYARDS CODE GETS HEARING DATE

A public hearing on a proposed code of fair competition for Livestock Operators Industry will be held March 2, in the United States Tariff Commission building, Washington, D. C. The code was proposed by the American Stockyards Association. It relates to prices, practices and conditions in that industry.

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TOMATO PROCESSORS MARKETING PACT HEARING

A public hearing on a proposed marketing agreement for the tomato canning and tomato products industry will be held March 3, in the United States Chamber of Commerce building, Washington, D. C.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 22 March 3, 1934

HALF MILLION FARMERS SIGN CORN-HOG PLEDGES Reports from the major corn-hog producing States show that approximately 550,000 production adjustment agreements have been signed in the sign-up campaign underway in the producing States. In Iowa a total of 144,000, or 90 percent of the eligible producers have signed corn-hog agreements. Illinois is second, with around 72,000 signers. Missouri reports a total of 60,272. Although 160 communities in Minnesota have not yet held sign-up meetings, officials in that State estimate that 52,000 farmers have thus far pledged to adjust their corn and hog production. Other State reports are: Nebraska, 55,000; Kansas, 41,000; Indiana, 44,000; Ohio, 40,000; South Dakota, 20,000.

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COTTON AGREEMENTS UNDER REVIEW Assured that approximately 15 million acres will be taken out of cotton production in 1934, the Agricultural Adjustment Administration has started work of adjusting producers' agreements to conform with official base production and acreage figures. Agreements from Taliaferro County, Georgia, were the first to be passed by a State board of review. Cotton agreements are first adjusted by county committees, then passed on by the State board of review and submitted to the Secretary of Agriculture for review, acceptance and payment. It is hoped that agreements may be reviewed by the Secretary in time so that first payments may be in the hands of growers in April.

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BURLEY GROWERS PLEDGE REDUCTION Preliminary reports on the results of the Burley tobacco adjustment sign-up campaign, which closed officially February 17, indicate that between 90 and 95 percent of the growers have agreed to curtail 1934 production. It is expected that the 1934 crop will be limited to about 250 million pounds. Participating growers will receive approximately 15 million dollars in rental and adjustment payments. The percentages of sign-up in the various States, as estimated from the first tabulation, are; Kentucky, 92 percent; Tennessee, 90 percent; Ohio, 91 percent; North Carolina, 95 percent; West Virginia, 50 percent; Virginia, 95 percent; Indiana, 75 percent; and Missouri, 86 percent.

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WHEAT ADJUSTMENT SIGN-UP REOPENED

Producers who have not yet signed wheat production adjustment agreements will be given an opportunity to do so, the Agricultural Adjustment Administration announced. The reopening of the sign-up applies to approximately 14 million acres of normal wheat land not under agreements, and follows many requests for such action from growers in practically all of the wheat producing States. Farmers who sign agreements under the reopened program would become eligible for the second and final 1933 payment and for the 1934-35 adjustment benefits. More than half a million farmers are already under agreements covering 52,081,241 acres. To date these farmers have received first payments totalling over 58 million dollars. Approximately 10 million dollars more of the first payments are yet to be made.

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NORTHWEST WHEAT EXPORTS INCREASE

The North Pacific Emergency Export Association in its program to reduce surplus wheat supplies in Washington, Oregon, and Idaho, has sold for export, up to March 1, nearly 18 million bushels of unmilled wheat in the form of flour. Purchases of wheat to March 1 totalled 18,100,000 bushels. Sales to February 24 totalled 17,500,000 bushels of which 14,200,000 bushels were wheat and 3,300,000 bushels were flour. Of these sales 10,297,000 bushels had been exported up to February 24. The majority of sales are for export to the Orient, with smaller shipments going to many other destinations in South and Central America, and Europe. The Association was formed under a marketing agreement between the Secretary of Agriculture and producers, millers, and exporters in the northwestern States to dispose of approximately 30 million bushels of surplus wheat and flour. It provides for reimbursing exporters for the difference between domestic prices paid for grain and the world price at which it has had to be sold in order to meet world competition. The export program in the Pacific Northwest supplements the acreage reduction program of the Agricultural Adjustment Administration to prevent surpluses. In the wheat adjustment sign-up campaign in the Northwest area, farmers in Idaho signed up 84 percent of the base acreage, those in Oregon signed up 82 percent of the base acreage, and those in Washington signed up 79 percent. Farmers who did not sign wheat adjustment agreements are now being offered another opportunity to do so. The base acreage available for sign-up in the three States, as computed by the wheat section, is 189,945 acres in Idaho; 179,834 in Oregon, and 521,453 in Washington.

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TENTATIVE APPROVAL OF BEE SHIPPERS PACT

A marketing agreement for the bee shippers' industry, designed to improve returns to producers has been tentatively approved by the Secretary of Agriculture and sent to those in the industry for signature. It would establish fair trade practices and terms and conditions of sale. All shippers would be licensed under it. A control committee of five members, one selected from each of the chief bee-producing States, Alabama, Louisiana, Texas, and California and one elected at large, would administer the terms of the agreement This committee could establish minimum prices governing the sale of package bees. The industry has estimated that through the establishment of minimum prices returns to producers could be increased by $500,000 to $750,000 annually.

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AMEND FLORIDA CITRUS LICENSE

An amended license for the Florida citrus fruit industry has been made effective to facilitate operation of the original marketing agreement and license which became effective December 18. The principal amendments deal with grade and size provisions of the original license and regulation of shipments to auction markets. Minor revisions of the volume proration plan were also made.

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GEORGIA-FLORIDA CIGAR TOBACCO PLAN

A program which seeks to restrict production of Type 62 cigar-leaf tobacco by 40 percent below the fire-year average, has been announced for the Georgia-Florida district. Approximately $260,000 would be paid in benefits if all producers participated. Limitation is provided by a tobacco acreage allotment made to each grower. The allotment would equal the base acreage, which would be the average acreage from which tobacco was harvested by the grower in the years 1929-33, inclusive. If the base exceeds 5 acres, the allotment would be two-thirds of the base. Production of the lower grades of tobacco, which represent a large part of the present excess supply, would be further restricted by a provision that the top four leaves of each stalk of tobacco shall be left unharvested. If all growers participated in the program the total copp in the Georgia-Florida district would be 10 to 15 percent less than the estimated consumption for 1934, with most of the reduction in the lower grades. In a program offered for 1933 to these same growers 93 percent participated.

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HOG SLAUGHTER PLAN YIELDS WIDE BENEFITS

Processors paid a total of $30,643,101.95 for pigs and sows slaughtered during the emergency hog marketing program last August and September, inaugurated to reduce future hog supplies which were threatening to seriously depress hog prices in the winter of 1933-34. A total of 6,410,866 animals were purchased, of which 1,083,738 were light hogs processed into meat; 222,114 were sows processed into dry salt meat, and 5,104,984 were pigs under 80 pounds in weight, converted into inedible products of grease and fertilizer tankage. Besides making an adjustment in potential tonnage of pork and furnishing substantial aid to farmers in drought areas, the program provided approximately 100 million pounds of dried salt pork for distribution among needy unemployed families through the Federal Emergency Relief Administration. Hogs from 41 States were purchased in the emergency program. The largest amount of money paid in any one State was $3,634,508.82 paid for pigs and sows from Missouri. Iowa received $3,570,484.26, the second largest sum. South Dakota was third with $3,481,596.47. The emergency program was particularly helpful to farmers in drought-stricken States, such as South Dakota, because it provided a profitable outlet for pigs which otherwise would have starved or been sent to market at sacrifice prices if finished out on high-priced feed.

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HOG PROCESSING TAX AT $2.25 RATE

The processing tax on the slaughtering of live hogs was increased on March 1 from $1.50 per hundredweight, live weight basis, to $2.25 per hundredweight. This is the last of the progressive increases called for under the revised hog regulations issued by the Secretary of Agriculture. The processing tax on hogs is being collected to finance the 1934 corn-hog production adjustment program under which a maximum of $350,000,000 will be paid participating producers.

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BEAN INDUSTRY AGREEMENT HEARING

A public hearing on a proposed marketing agreement for the pea bean industry of Michigan will be held at the Bancroft Hotel, Saginaw, March 5 and 6. The proposed agreement is the first of a series of five, designed to provide a national plan for increasing returns to growers of dried, edible beans. Additional tentative plans call for marketing agreements for bean-producing areas in New York, New Mexico, and Colorado; the Great Northern area which includes Idaho, Montana, Wyoming and California.

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THREE HEARINGS ON MILK AGREEMENTS

Public hearings on milk marketing agreements for three sales areas, covering Detroit, Mich.; Los Angeles, Calif.; and the Quad Cities of Davenport, Ia., and Moline, East Moline, and Rock Island, Ill., have been scheduled by the Agricultural Adjustment Administration. The hearings on the Detroit and the Quad Cities agreement will be held March 5 and that for Los Angeles, March 9. The Detroit hearing will be held in the high school in Pontiac, Mich. The Quad Cities hearing will be held at the Davenport hotel, Davenport, Ia., and the Los Angeles hearing in the Chamber of Commerce building, Los Angeles, Calif.

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ST. LOUIS DISTRIBUTORS UNDER MILK LICENSE

A new license for milk distributors in the St. Louis, Mo., sales area, became effective March 2 and replaces the old license which went into effect November 25. As accepted by the majority of producers of milk for that area, the license seeks to afford fair treatment to all producers alike, insure ample credit protection, provide for regular check-testing and weighing, and give producers assurance that they will share equally in the higher prices received for milk according to actual uses. Resale prices to consumers are not fixed by the license. Class 1 milk prices which distributors must pay producers are set at $1.85 per hundred pounds of 3.5 percent milk f.o.b. distributors' plants, with a differential of 3 cents on each point in fat test above or below the market standard. The Class 2 price is 3½ times the average wholesale price of 92-score Chicago butter for the month, plus 20 percent of that sum plus 30 cents per hundredweight. The Class 3 price is 3½ times the average monthly quotation for 92-score Chicago butter plus 15 cents per hundredweight. The new license makes distinct savings to producers in reduction of country station differentials. It permits producers to make their own arrangements for shipping milk into the city or to receiving stations if they so desire.

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FOUR DISTRIBUTORS CITED ON MILK VIOLATIONS

Four milk distributors in the Los Angeles, Calif., sales area have been required to show cause why their licenses should not be suspended or revoked because of failure to comply with the terms. The licenses were issued last November by the Secretary of Agriculture. The four firms must return answers to the charges filed against them on or before March 5. These charges are based on prices, terms and conditions defined in the existing license. The distributors cited are: The Valley Dairy Co., 2401 Fletcher Drive, Glendale, Calif; The Lucerne Cheese and Butter Co., 1925 East Vernon Ave., Los Angeles; The Western Holstein Farms, Inc., 3402 Avalon boulevard, Los Angeles; and Charles J. Kurtz, doing business under the name of Golden West Creamery Co., Moneto, Calif.

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MILK DISTRIBUTORS LICENSED IN EVANSVILLE

A new license covering the purchase and distribution of milk and cream in the Evansville, Ind., sales area went into effect February 26, supplanting the original license which went into effect October 19. Under its terms, distributors are uniformly required to pay producers a Class 1 price of 48 cents per pound butterfat equivalent in milk, equal to $1.92 per hundred pounds on the prevailing 4 percent fat test. For Class 2 milk, producers will receive 38 cents per pound butterfat equivalent. Prices for other classes of milk are scheduled accordingly.

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AUDIT TWIN CITIES MILK COMPANIES BOOKS The books of milk distributors in the Minneapolis and St. Paul sales area are to be audited by auditors of the Agricultural Adjustment Administration under the terms of the new license for that area which went into effect February 16. The audit is to cover the operations of these distributors for a period of five years. Its purpose is to obtain accurate and comprehensive data to indicate the manner in which provisions for protection of the farmers' price, and for protection of producers, are being enforced.

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RED TOP SEED AGREEMENT HEARING A public hearing on a proposed marketing agreement for the red top seed industry will be held at the Mayflower Hotel, Washington, D. C., on March 9. The proposed agreement was filed by the Egyptian Seed Growers Association of Flora, Ill., and a group of red top seed cleaners and buyers. It seeks to increase returns to growers through the establishment of minimum prices.

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AMEND CALIFORNIA RICE AGREEMENT The marketing agreement for the California rice industry has been amended to provide for a deduction of 40 percent of the price paid to producers, instead of the 30 percent deduction provided in the original agreement. The deductions are to be paid in to a trust fund out of which farmers cooperating in the rice production control program are to receive adjustment payments. The amendment makes the deduction the same as that provided for in the Southern rice agreement. It also gives the crop board set up under the agreement, the authority, subject to the approval of the Secretary of Agriculture, to fix the final date upon which statements of growers regarding intentions to plant may be filed.

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ASPARAGUS CANNERS UNDER LICENSE A license for the California asparagus canning industry intended to increase returns to growers by limitation of the 1934 packing season and restriction of the total pack for the season, will become effective March 6.

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HEARING DATE SET FOR CELERY AGREEMENT A public hearing on a proposed marketing agreement for the Florida celery industry will be held at Lakeland, Fla., March 5. Increased returns to growers through regulation of the supply placed on markets is sought through the agreement, which was submitted to the Agricultural Adjustment Administration by the industry.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 23 March 10, 1934

FARMERS SPEED CORN-HOG EFFORTS

States outside of the corn and hog belts are now beginning to speed the signing of corn-hog production adjustment agreements, reports to the Agricultural Adjustment Administration indicate. The total number of agreements reported from the various States is well above the 600,000 mark. Tennessee, with 15,000 agreements signed among an estimated total of 25,000 to 30,000 farmers who are eligible to take part in the program, leads among the States outside the big producers of the corn-hog belts. Agricultural Extension officials in Tennessee expect a 90 percent sign-up of all eligible producers. Washington, California, and other far-western States also report increased interest in the corn-hog adjustment program, with the number of signers beginning to climb. Many of the southern States, where work on the cotton and tobacco campaigns came ahead of the corn-hog sign-up, are now preparing to speed corn-hog adjustment efforts. South Dakota, with an estimated 48,500 agreements signed, shows the largest increase in sign-up among the leading corn-hog States. Latest reports from Illionis place the number of signed agreements at 89,471, an increase of 17,000 from last week. Kansas officials report 53,793 signatures, as compared with last week's total of 41,000.

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COTTON LOANS AVERAGE $250 ON FIVE BALES

Of the $97,753,102 in loans made on cotton by the Commodity Credit Corporation up to March 6, $60,021,698 represents the amount of the 10-cent loans on warehoused cotton, while $37,731,404 was advanced at the rate of 4 cents per pound to farmers who exercised their options on Government-owned cotton which is now held in the producers' pool. It is estimated that private interests have made additional cotton loans approximating 60 million dollars. Repayments of cotton loans up to March 6 totaled $7,231,856. The maximum cost of cotton loans to farmers is slightly above 1 cent a pound on the average loan, for the entire 9-month period that the original note may run. This includes all costs for interest, storage, insurance, sales commission, and any other incidental fees. Loans have averaged about $250 on five bales of the equivalent or better of low middling, 7/8 inch staple cotton. In some cases, actual costs are below the maximum ,depending upon storage and other charges which may vary from place to place.

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MOVES TO MEET DAIRY PROBLEM

Recognizing that varying regional needs are interrelated, and that the national program for the dairy industry should be of a nature to meet these needs, the Agricultural Adjustment Administration has moved to obtain the services of regional representatives from whom a nation-wide committee of dairy consultants will be selected. The efforts of these workers will be directed toward working out a sound production adjustment program designed to benefit all milk producers.

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95 PERCENT OF GROWERS IN FLUE-CURED PROGRAM

More than 100,000 agreements, representing approximately 95 percent of the eligible farms, have been signed by producers pledging themselves to participate in the flue-cured tobacco production adjustment program for 1934. Final results of the sign-up, which was recently completed are being compiled. The approximate distribution of signed agreements by States, as shown by the preliminary compilation, is as follows; Virginia, 11,000; North Carolina, 65,000; South Carolina, 16,000; Georgia, 12,500; Florida, 1,000. A number of agreements have already been received from field offices by the Agricultural Adjustment Administration and are now being considered for acceptance and payment. The first payment to growers will be the rental payment at the rate of $17.50 per acre for each acre taken out of flue-cured tobacco production under the agreement terms. Applications for price-equalizing payments accompanied a number of flue-cured agreements, and checks covering these will be sent growers at the same time the first payment checks are mailed. The price-equalizing payments are to compensate, insofar as possible, those producers who sold their flue-cured tobacco before improvement in prices resulted from the sign-up and the flue-cured marketing agreement with domestic buyers. These payments will approximate $4,300,000, and will be divided among States as follows: Florida, $70,000 to 800 producers; Georgia, $1,030,000 to 10,000 producers; South Carllina, $1,165,000 to 12,000 producers; and North Carolina, $2,010,000 to between 30,000 and 40,000 producers. Producers' claims regarding sales upon which the price-equalizing payments will be made, are substantiated by evidence prepared from warehouse records under the direction of the tobacco section of the Agricultural Adjustment Administration.

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TWO TOBACCO PACTS GET APPROVAL

Two marketing agreements for dark air-cured and fire-cured tobacco have been approved by the Secretary of Agriculture and were made effective as of December 1. Under one of the agreements, snuff manufacturers agree to buy specified quantities of the needed type of tobacco at minimum average prices for the season ranging between 7¼ to 14 cents per pound. The other agreement provides for purchases of minimum quantities by domestic buyers of Green River, One Sucker, and Virginia sun-cured tobacco at specified minimum average prices. Since early in January, when the agreements were tentatively approved, prices of dark air-cured and fire-cured tobacco have steadily advanced.

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CONNECTICUT SHADE ACREAGE ANNOUNCED

The advisable acreage for Connecticut Valley shade-grown tobacco U. S. Type 61 (a), for production in 1934 is 4700 acres, the Secretary of Agriculture announced in accordance with the marketing agreement entered into several months ago by handlers of this type of tobacco in Connecticut, Massachusetts, New Hampshire and Vermont. The acreage committee set up under the agreement is to allot the 4700 acres of production among growers on an equitable basis, and parties to the agreement and license may handle only the production from the allotted acreage during the 1934 crop year. With an average yield, the 4700 acres would produce a crop supply smaller than the consumption of the 1932-33 marketing season, and a crop approximately 10 percent smaller than the estimated consumption of the current marketing season. With such limited acreage some reduction in excess stocks and improvement in the price situation are expected.

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FIRST TIME PLANTERS TO SIGN WHEAT PACT

Farmers who planted wheat in 1932 for the first time are eligible to sign production adjustment agreements under the reopened wheat program, according to a specific provision announced by the Agricultural Adjustment Administration. The plan for these producers is intended mainly to cover land which was broken out of sod for the 1932 crop, and which has been in production since. It will apply mainly in Kansas, Oklahoma, and Texas and to some degree in Nebraska, New Mexico, and Colorado. A farmer eligible under this provision to sign an agreement is required to reduce his wheat acreage by the same percentage required of other signers of wheat adjustment agreements. The new arrangement allows these producers to use their 1932 acreage as a base for an agreement and entitles them to full adjustment payments, less local association administrative costs, for all three years of the wheat plan, but bases these payments on an allotment approximately one-fifth as large as they would receive if they had planted wheat in all three of the base years.

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NEW SOUTHERN RICE AGREEMENT

A marketing agreement for the Southern rice industry, designed to provide parity prices for the 1934 crop to farmers who cooperate in its crop control features was made effective March 6, replacing an agreement which became effective October 16, 1933. Approximately 100,000 growers in Louisiana, Arkansas, and Texas will be affected by the agreement, and if all participate in the crop reduction plan, rice acreage for 1934 in those States will be held to 620,000 acres. The agreement seeks a 20 percent reduction in Southern rice acreage from the average of the 5-year period, 1929-33, inclusive. Allotments and production quotas are to be assigned to individual producers under the agreement. Growers who participate in the program will receive benefit payments equal to 40 percent of parity from a trust fund which rice millers have agreed to establish. This benefit payment will be in addition to the 60 percent of the parity price which growers are to receive when they market their rice. Under the agreement, millers will pay for rice on the basis of the parity price set by the Secretary of Agriculture, paying 60 percent of that price to producers when they sell the grain and remitting the balance to the trust fund. Producers who do not take part in the program will receive only 60 percent of the parity price and will not be eligible to receive any benefit payments.

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CORN-HOG AGREEMENT FOR ONLY ONE YEAR

The corn-hog production adjustment agreement now being signed by farmers is of only one year's duration and does not apply to the 1935 or later crop years. The agreement calls for a reduction by individual signers of 25 percent in hog production and 20 percent in corn production during the one-year period, December 1, 1933 to December 1, 1934. It contains certain other limitations imposed for the 1934 season to help assure that the outcome of the corn-hog program will not increase production of other agricultural products.

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SET HEARINGS ON MILK LICENSE VIOLATIONS

Acting to enforce provisions in licenses for milk distributors, the Secretary of Agriculture has summoned for hearing six alleged violators of existing licenses. Two are distributors charged with violating the terms of the license for the Chicago milk sales area. They have been requested to appear at a hearing on March 12, in the United States Court Room of the new United States Appraisers' Stores building, at Chicago, Ill. The other four are charged with alleged violations of the existing license for the Los Angeles milk sales area. They have been requested to appear at a hearing March 16, in the court room of the California State building. Orders to show cause why their licenses should not be suspended or revoked were issued sometime ago against these parties, and their answers returned to the Secretary of Agriculture were deemed insufficient. Among the alleged violations charged are failure to pay the producers prices named in the license, and failure to make the required reports to the market administrators. The six distributors summoned to appear for hearing are the People's Dairy Co., Cicero, Ill., and Lloyd V. Shissler, Lombard, Ill., both charged with alleged violation of the Chicago milk license; Charles J. Kurtz, Golden West Creamery, Moneta, Calif.; Western Holstein Farms, Los Angeles; Lucerne Cream and Butter Co., Los Angeles; and Valley Dairy Co., Glendale, Calif., all charged with alleged violation of the Los Angeles milk license.

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CITE TWO FRUIT HANDLERS FOR LICENSE VIOLATIONS

Orders citing the Yakima County Horticultural Union Yakima, Wash., and the firm of Earl Baker, Inc., of Pomona, Calif., to show cause why their licenses for handling fresh deciduous tree fruit and for handling oranges and grapefruit, respectively, should not be suspended or revoked, have been issued by the Secretary of Agriculture. The Yakima County Horticultural Union was given until March 17 to file an answer. The firm, a cooperative operating under a license for handlers of fresh deciduous tree fruits grown in Washington, Oregon, Montana and Idaho, is charged with alleged violation of the conditions of the license by shipment of quantities of apples in interstate commerce contrary to regulations of the Boxed Apple Commodity Committee; by refusing to furnish reports of the amounts of fruit bought and sold and prices paid; and by failure to furnish information requested by the Winter Pear Commodity Committee and the Boxed Apple Commodity Committee concerning quantities of unsold fruit on hand. Earl Baker, Inc., is charged with alleged violation of conditions of the license for handlers of oranges and grapefruit grown in California and Arizona by refusing to submit a written application to the Growers Advisory Committee for any allotment; by failing to furnish estimates of shipments and to notify the committee of transfer of allotments; and by shipping oranges and grapefruit in interstate commerce in excess of allotment. The firm is given until March 15 to file an answer.

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DATE AGREEMENT TENTATIVELY APPROVED

The Secretary of Agriculture has tentatively approved a marketing agreement for the California date shipping industry. It is designed to increase returns to date growers through establishment of a uniform schedule of minimum prices. The agreement has been sent to date shippers for signature.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 24 March 17, 1934

CORN-HOG AGREEMENTS TOP 3/4 MILLION MARK

Approximately 780,000 farmers have already signed Corn-hog adjustment agreements, according to reports received by the Agricultural Adjustment Administration from extension officials in 20 of the States where the sign-up campaign is under way. Nine leading Corn-Belt States, which produce nearly three-fourths of all the country's corn and hogs, have reported more than 700,000 agreements signed, with indications that the total from this section will be considerably higher before the campaign closes. This evidence of high percentage sign-up in the major producing States is regarded by Administration officials as assurance that a large proportion of the entire United States corn and hog production will be brought under the adjustment program. Iowa, with 155,000 agreements, continues to lead all States in the sign-up. Others of the Corn Belt States have reported as follows: Illinois, 90,000; Missouri, 84,000; Indiana, 79,000; Nebraska, 74,000; Minnesota, 65,000; Kansas, 63,000; Ohio, 55,000; South Dakota, 48,000;. Texas has reported 19,000 agreements, the highest sign-up to date outside the Corn Belt proper. Tennessee, with 15,000, and Arkansas, with 8,000, are other States where the total of signers is climbing. Many of these States are just getting into the active sign-up phase of their campaigns.

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FIVE MILK LICENSES EFFECTIVE TODAY

Licenses governing milk sales in five areas were made effective today by the Agricultural Adjustment Administration. The licenses are for milk distributors in the sales areas of New Orleans, La.; Sioux City, Ia.; Lincoln, Neb.; Kansas City, Kans.; and Wichita, Kans. The licenses govern prices paid producers for milk. Under the license for the New Orleans area, the Class 1 price is $2.10 per 100 pounds of 4 cent milk, f.o.b. distributors' plants in the city. Farmers selling milk to distributors in the Sioux City area will receive 45 cents per pound of butterfat in milk sold as Class 1, a gain of about 5½ cents per 100 pounds of milk over previous prices. The Class 1 price for the Lincoln sales area is the same as that for Sioux City. Distributors in the Kansas City sales area will pay producers a Class 1 price of $1.75 per 100 pounds of 3.5 percent milk f.o.b. plants. The price prevailing before the license became effective was $1.25. The license price for Class 1 milk sold by producers in the Wichita sales area is the same as that for Kansas City, and is an increase of 49 cents per 100 pounds over producer-prices prevailing before the license went into effect.

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WHEAT PAYMENTS EXCEED 61 MILLION

A total of 746,476 checks for a total of $61,771,453 had, up to March 15, been written for wheat farmers cooperating in the acreage adjustment program of the Agricultural Adjustment Administration. The first payment of 20 cents a bushel on the farm allotment of farmers who signed agreements in the wheat adjustment campaign to reduce acreage 15 percent has been practically completed. These payments have been made to farmers in 37 States. Wheat section officials estimate that the final total of this payment will approximate 66 million dollars. A second payment of 8 cents a bushel, less local county administrative costs, is scheduled to be made after farmers have presented proof of compliance with their wheat adjustment agreements. Approximately 500,000 agreements were signed. The fact that more checks have been written than there were agreements signed, results because many agreements were signed by more than one person, as for instance, a landlord and a tenant. Payments by states up to March 10, are: Arizona, $13,746; Arkansas, $1,728; California, $604,701; Colorado, $1,387,016; Delaware, $63,386; Georgia, $4,267; Idaho, $2,098,833; Illinois, $1,594,146; Indiana, $1,217,903; Iowa, $278,373; Kansas, $16,057,633; Kentucky, $164,212; Maryland, $539,777; Michigan, $496,517; Minnesota, $1,200,341; Missouri, $1,008,262; Montana, $3,211,196; Nebraska, $3,752,006; Nevada, $19,991; New Jersey, $7,745; New York, $29,406; New Mexico, $334,755; North Carolina, $38,082; North Dakota, $7,192,403; Ohio, $1,150,947, Oklahoma, $4,451,072; Oregon, $1,730,807; Pennsylvania, $106,561; South Dakota, $3,280,774; Tennessee, $81,618; Texas, $3,422,097; Utah, $439,618; Virginia, $365,128; Washington, $3,721,544; West Virginia, $4,683; Wisconsin, $49,370; Wyoming, $214,046.

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CORN CANNERS AGREEMENT TENTATIVELY APPROVED

Canners in 23 states would agree to minimum prices approaching parity to be paid to growers under a marketing agreement for the canned corn industry which has been tentatively approved by the Secretary of Agriculture. The agreement has been sent to 364 canners for their signatures. Uuder its terms 18 price districts would be established and minimum prices for corn would vary according to the type of corn and the price district in which sold. It would provide that if the weighted average 1933 contract price for any variety in any price district is less than $7 per ton ,then the price to be paid in 1934 would be at least 40 percent above the 1933 price. If the 1933 price amounted to $7 or more then the price in 1934 would be at least 35 percent above the 1933 price. The agreement does not provide for allocation of the total canned corn pack. Supervision of its terms would be under the direction of a national committee and 12 regional committees.

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EXTEND TIME FOR BRIEFS ON STOCKYARDS CODE

The time for filing with the Agricultural Adjustment Administration briefs and statements on the proposed code of fair competition for the stockyards operators on which a public hearing was recently held has been extended to include March 26.

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NEW LICENSE EFFECTIVE IN BOSTON MILK AREA A new license for distributors of milk in the Greater Boston, Mass., sales area, became effective March 16, and replaces the license for that area which went into effect November 3. The new license eliminates and reduces certain charges heretofore made by distributors to producers. It contains no resale schedule of prices for milk sold to consumers. The new license provides for only two classes of milk. Under its terms the price paid to producers will generally range from 2 to 7 cents more per hundredweight on Class 1 milk than under the old license. The producers price for Class 1 milk of 3.7 percent butterfat content is $2.95 per hundredweight f.o.b. city plant, Boston, as against $3.02 in the old license, but with new adjustments on freight deductions, elimination of can, testing and weighing charges, and reduction of country station charges, nearby producers who truck their milk to the city plant will receive a net of $2.93 per hundredweight as contrasted with $2.91 under the old license. Producers in the 191-200-mile-zone will receive $2.37 as compared with $2.30 in the old license. Corresponding increases will be received by producers in intermediate or more distant zones. By readjusting the plan for paying producers for Class 2 milk, the price has been advanced approximately 5 cents per hundredweight on Class 2 milk delivered direct from the farm to the city plant. Under the old license the Class 2 price was the 92 score butter price in Boston, plus 20 percent. Under the new license the f.o.b. Boston price is the butter price plus 25 percent. A market administrator will supervise adherence of distributors to the terms of the license.

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EIGHT CITED FOR MILK LICENSE VIOLATIONS Seven alleged violators of the existing milk license for Los Angeles, Calif., and one alleged violator of the license for the Des Moines, Ia., sales area have been ordered to show cause why their licenses to distribute milk should not be suspended or revoked. The answers to the charges of the alleged violations of Los Angeles license must be returned to the Secretary of Agriculture on or before March 24, while the alleged violator of the Des Moines license is granted until March 25 to return his answer. Violations of the Los Angeles milk license are charged against: Arce Dairy Co., Highland Park, Calif; Harry M. Lutge, Bear State Creamery, Burbank, Calif; California Dairies, Pasadena, Calif; Mayfair Creamery, Torrance, Calif; Pomona Valley Creamery, Pomona, Calif; Wilson Dairy, Santa Ana, Calif; Coldbrook Creamery, Inglewood, Calif; The Butterfield Dairy, Des Moines, is charged with violating the Des Moines license.

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FLORIDA STRAWBERRY AGREEMENT PENDING Improved returns to producers through limitation of the grades and sizes that may be shipped are sought in a marketing agreement for Florida strawberry shippers which has been tentatively approved by the Secretary of Agriculture and sent to the shippers for signature.

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DENVER MILK PACT GETS HEARING A public hearing on a proposed milk marketing agreement for the Denver, Col., sales area will be held in the Brown Palace Hotel, Denver, March 22.

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MOVES TO ENFORCE EVAPORATED MILK PACT

Steps toward enforcing the terms and conditions of a voluntary marketing agreement on which no license has been in effect, were taken by the Secretary of Agriculture who issued an order to the United Milk Products Company, Cleveland, Ohio, requiring it to answer specific charges of violating the evaporated milk agreement. Answer must be made on or before March 23, and the company's officials must appear at a hearing on March 27 in Cleveland, where the charges will be investigated before the evidence is submitted to the Attorney General for appropriate proceeding as provided for in section 10(h) of the Agricultural Adjustment Act. It is charged that since September 9, 1933, the company has sold evaporated milk to the Kroger Grocery and Baking Company of Cincinnati at prices lower than the minimum wholesale prices for manufacturers' sales as set forth in the agreement schedule. It is also charged that the company has stated in writing that it is not bound by the terms and conditions of the agreement which it signed, and that it does not intend to perform its obligations under the agreement. The evaporated milk agreement was originally signed by 36 manufacturers representing approximately 95 percent by volume of the 1932 sales, and the United Milk Products Company was among the signers. Manufacturers of evaporated milk who had not signed the agreement on its effective date numbered five, representing about 5 percent of the 1932 sales. The Kroger Grocery and Baking Company will be summoned to testify at the hearing as to its relations with the United Milk Products Company in the alleged violations of the agreement.

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CALIFORNIA APPLE PACT GETS HEARING DATE

Increased producers' returns through curtailment of the amount of apples shipped during any one marketing period through a system of proration to shippers and allocation to producers, are sought in a proposed marketing agreement for California Gravenstein apples, on which a public hearing will be held in the Chamber of Commerce rooms at Sebastobol, Calif., March 20. The producing industry in which the proposed agreement would operate is almost wholly confined to Sonoma and Napa counties in California.

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PEA CANNERS AGREEMENT OUT FOR SIGNATURES

A marketing agreement designed to obtain prices approaching parity for producers of peas for canning purposes has been tentatively approved by the Secretary of Agriculture and sent to 285 contracting canners for their signatures. Under its terms canners would pay a flat price of at least $6.50 more per ton than was paid for shelled peas during the 1933 season. This is an increase in price of approximately 15 percent to growers for the 1934 crop. Limitation and allocation of the pea pack is not provided for in the agreement. A national committee, selected by the industry, with five members appointed by the Secretary of Agriculture, would supervise the performance of the agreement.

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FIRST COTTON CHECKS SENT TO SOUTH

The first rental payments under 1934-35 cotton reduction agreements were made March 16, when checks totaling $1,609.16 were mailed to 38 cotton producers of Taliafero County, Ga. This represents the first installment of a total of $4,-137.80 which will be paid to these producers for this year's acreage reduction. The checks initiated distribution of approximately 100 million dollars rental payments which will be made in two instalments. In addition to these rental payments which cotton producers will receive for curtailing acreage this year, a parity payment of between 25 million and 30 million dollars will be distributed next December. The total rental payments a producer receives under the cotton adjustment agreement is 3½ cents per pound of lint cotton produced on the average acre of his base, multiplied by the number of acres he rents to the Secretary of Agriculture under his agreement. Distribution of the first installment of rental payments, which represents half of the total, is expected to be completed by April 30. The second installment will be distributed between August 1 and September 30. The estimated acreage rented under all 1934-35 agreements that had been tabulated by March 14 totalled 15,152,653 acres. The Agricultural Adjustment Administration expects cotton checks to be going out in volume during the first weeks of April.

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CALIFORNIA ASPARAGUS AGREEMENT EFFECTIVE

A marketing agreement for the fresh asparagus industry of California became effective today and is accompanied by a license which becomes effective on the industry March 20. The marketing agreement was approved by the Secretary of Agriculture to cover the marketings of asparagus this season. It marks the second step by the Agricultural Adjustment Administration in a program to aid producers of asparagus in California. The first step was the licensing, effective March 6, of the canned asparagus industry of that State. The programs for the canned and fresh asparagus supplement each other in the effort to increase returns to producers. The fresh asparagus agreement, through proration, seeks to regulate the supply reaching the market.

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TOBACCO HANDLERS CODE HEARING MARCH 21

A public hearing on a proposed code of fair competition for leaf tobacco dealers, redryers, packers and storers will be held at the Mayflower Hotel, Washington, D. C., March 21. It covers the packing, redrying, stemming, storing and rehandling of tobacco bought in its unstemmed form. Administration of the proposed code would be by a code authority of five members.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 25 March 24, 1934

DAIRY ADJUSTMENT PLAN TO BE TAKE TO PRODUCERS

A nation-wide dairy adjustment program designed to increase the income of milk producers has been announced by the Agricultural Adjustment Administration and will be taken to the dairy farmers for discussion and revision in a series of major regional meetings to begin during the first week in April. Adoption of the plan is up to the dairy farmers. In addition to increasing producers' incomes, the program seeks to hold dairy production at or near the seasonally low levels of recent months until purchasing power in the cities recovers sufficiently so that consumers can buy larger quantities of milk products at better prices. The program will provide payments to farmers who agree to cooperate. Provisions supplemental to the dairy adjustment plan include relief distribution of surplus milk to underfed children in cities, transfer of healthy cows from surplus dairy areas to needy farm families which have no cows, and provision for eradication of bovine tuberculosis and possibly also Bang's disease. As tentatively outlined, the program contemplates an expenditure of 165-million dollars but is devised for extension to as much as a 300-million dollar undertaking in event of Congressional adoption of pending legislation to aid the dairy and beef cattle industries. Cooperating farmers would be paid benefit payments in addition to receiving higher prices because of a more balanced milk production, and furthermore would save on feeding costs. The benefit payments would be at a rate of about 40 cents for each pound of butterfat which dairymen reduce below their 1932-33 sales quota, amounting to about $1.50 on each 100 pounds of surplus fluid milk which they reduce within the prescribed percentage limit. Individual dairymen would choose their own method of reducing production, by adapting their feed practices, reducing the number of cows, or otherwise. A series of 15 regional meetings at which the proposed dairy program will be discussed has been tentatively scheduled as follows; April 2-3 at Philadelphia, Pa.; Indianapolis, Ind.; Kansas City, Mo.; April 3-4 at Atlanta, Ga.; Denver, Col.; April 4-5 at Boston, Mass.; Madison, Wis.; Des Moines, Ia.; April 6-7 at Syracuse, N. Y.; Memphis, Tenn.; Salt Lake City, Utah; St. Paul, Minn.; April 9-10 at Dallas, Tex.; Portland, Ore.; April 12-13 Berkeley, Calif.

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REACH MILLION MARK IN CORN-HOG SIGN-UP

Approximately one million agreements, representing the bulk of the corn and hog production of the United States, have now been signed by producers, according to reports received from 42 States by the Agricultural Adjustment Administration. The sign-up campaign to reduce corn and hog production in 1934 is nearing completion in several States. The number of signed agreements in some of the leading corn-hog States are approximately as follows: Iowa, 160,000; Illinois, 110,000; Missouri, 94,000; Indiana, 82,000; Minnesota, 75,000; Nebraska, 80,000; Kansas, 68,000; Ohio, 60,000; South Dakota, 50,000; Wisconsin, 33,000.

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1934 CIGAR TOBACCO PLAN ANNOUNCED

The Secretary of Agriculture announced that he would exercise his option in the 1933 cigar tobacco adjustment agreements requiring acreage reductions to be continued during 1934. At the same time it was announced that growers who did not participate in the 1933 cigar tobacco program will be given an opportunity to take part in the program for 1934. The plan for 1934 differs from that used in 1933 in that producers now have the option of keeping either one-third, one-half, or their entire base acreage out of production, and have two additional choices in the determination of base acreage. If all growers take part in the program, it is expected that the acreage of filler and binder cigar-leaf tobacco grown in the Miami Valley of Ohio and Indiana, and in the Wisconsin-Minnesota, Pennsylvania-New York, and New England areas, will be reduced to about 50 percent of the 1932 acreage. With all growers participating, a total of approximately $4,446,000 would be paid growers for making the required reductions in 1934. Over 17,000 growers, or about 75 percent of the total number in these cigar-leaf areas, participated in the program for 1933.

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RAISIN AGREEMENT HEARING MARCH 26

A public hearing on a proposed marketing agreement designed to bring growers improved prices for the 1933 and 1934 California raisin crops will be held at Fresno, Calif., March 26. The agreement would provide for establishing minimum prices for the raisin crops and would provide a basis on which growers would be eligible for loans from the Commodity Credit Corporation. The agreement was submitted by growers and by packers who pack 85 percent of the raisin crop.

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GRAIN EXCHANGE CODE APPROVED

Prevention of extreme market fluctuations by maintaining existing limitations on daily price changes, establishment of minimum margin requirements, and increased supervision over operations of the exchanges, are sought in a code of fair competition for grain exchanges, approved by the President to become effective March 31.

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REGULATIONS ISSUED ON HATCHERY CODE

Persons custom-hatching fewer than 1000 eggs, or selling fewer than 500 chicks during a calendar year are not required to comply with the code of fair competition for the commercial and breeder hatchery industry, according to rules and regulations approved by the Secretary of Agriculture. The code prohibits selling chicks below cost of production, and a provision is made for disposal of distress or surplus chicks. The regulations determine surplus chicks not to be distress until hatched and counted, and requires that each lot of distress chicks be listed separately with the coordinating committee in charge of supervision of the code, which may have 24 hours in which to exercise an option to buy these chicks. The rules and regulations also deal with definitions, fair trade practices, advertising and scope of the code.

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PEANUT CROP CONTROL SOUGHT BY BOARD

The control board set up under the recently established marketing agreement for peanut millers has requested the Agricultural Adjustment Administration to adopt, as early as possible, some program for control of production or marketing of peanuts to protect the industry against low returns which may result from increased production during the coming crop year. The industry fears that relatively favorable prices brought by the 1933 crop, and the release of labor and equipment from production of other crops in the South, may bring about increased production of peanuts, a surplus, and low prices unless some protective steps are taken. The control board has suggested plans of allocating production to the growers and for allocating marketings. It is proposed that minimum prices would be paid only for the allotted proportion of the crop, and the surplus would be used for oil, or purposes other than cleaning and shelling. A definite program will not be decided upon before pending legislation which would affect the peanut industry is disposed of in Congress.

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TOBACCO SIGN-UP ENDS IN THREE STATES

March 31 has been set as the closing date for signing agreements to reduce 1934 production of fire-cured and dark air-cured types of tobacco, the Agricultural Adjustment Administration announced. The sign-up campaign has been practically completed in Virginia and Tennessee, and, it is expected, the sign-up will be completed in Kentucky by the closing date.

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INDIANAPOLIS GETS MILK LICENSE

A license for the Indianapolis, Ind., milk sales area will become effective April 1, and will establish uniform prices payable to producers by distributors. The license sets the Class 1 price at $1.85 per 100 pounds of milk of 4 percent butterfat content, f. o. b. distributor's plants in the city. Approximately 5,600 milk producers supply the Indianapolis area.

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173 MILLION PAID FARMERS IN 46 STATES

A total of $173,570,549 in rental and benefit payments had been made up to March 1 to 1,774,431 farmers in 46 States for their participation in production adjustment programs under the Agricultural Adjustment Administration. In addition to these payments, $49,841,684 had been expended for removal of surplus farm products. The $173,570,549 rental and benefit payments made up to March 1 were distributed as follows: $112,349,176 to 1,030,536 cotton growers; $59,635,216 to 712,354 wheat farmers; and $1,586,156 to 31,541 tobacco growers.

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SUMMARY OF PROPOSED DAIRY ADJUSTMENT PLAN

1.	Minimum expenditure on dairy adjustment program	$165,000,000
2.	Average reduction - none from low winter months' levels, as plan involves checking sales at or near that volume; reduction sought below high average volume of the 1932-33 base period	10 percent
3.	Benefit payments for each pound of butterfat reduced below 1932-33 quota	40 cents
4.	Benefit payments on each 100 pounds of surplus fluid milk reduced below 1932-33 quota	$1.50
5.	Processing tax per pound of butterfat content	1 to 5 cents
6.	Available for advising producers on production adjustment methods	$225,000
7.	For distributing surplus milk to underfed children in urban centers	$5,000,000
8.	For purchase and distribution of healthy cows to needy farm families	$5,000,000
9.	For eradication of bovine tuberculosis	$5,000,000

PROGRAM FACES THESE FACTS

Index of dairy farmer's prices for 1933 was 69, compared to 140 in 1928.

Dairy farmers' total cash income declined from $1,847,000,000 in 1929 to $985,000,000 in 1932.

Milk cow population now exceeds 26 million, largest on record.

Cow numbers are now 3 percent higher than in January, 1933; 18 percent higher than in 1928.

Milk production increased from 87 billion pounds in 1924, to nearly 102 billion pounds in 1932--two billion pounds increase from 1930 to 1932. Production per capita increased from 768 pounds in 1924 to 812 pounds in 1932.

Consumer expenditures declined nearly 5 percent from 1932 to 1933.

Dairy situation in recent months-- Production down, prices up.

The objectives of the program are to avert a reverse back to lower prices, to improve the buying power of dairy farmers, to eliminate extreme fluctuations in production and prices, and to establish a sound basis for recovery of the dairy industry.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 26 March 31, 1934

15 REGIONAL MEETINGS ON DAIRY PLAN

At 15 regional meetings to which leaders of every branch of agricultural activity interested in dairying have been invited, the Agricultural Adjustment Administration will present for discussion the proposed dairy adjustment program. The meetings are open to all dairy farmers and others interested in the welfare of the dairy industry and the improvement of the dairy farmer's income. The proposed adjustment plan is put forward for the purpose of discussion, and to bring out the opinion of the milk producers as to the best course of action to take. The schedule of places and dates of meeting is as follows: Region 1-- Philadelphia, Penn., April 2-3, Broadwood hotel; Boston, Mass., April 4-5, Statler hotel; Syracuse, N. Y., April 6-7, Lincoln auditorium. Region 2-- Atlanta, Ga., April 3-4, Henry Grady hotel; Memphis, Tenn., April 6-7, Chisca hotel; Dallas, Tex., April 9-10, Adolphus hotel. Region 3-- Indianapolis, Ind., April 2-3, Lincoln hotel; Madison, Wis., April 4-5, College of Agriculture; St. Paul, Minn., April 6-7, College of Agriculture. Region 4-- Kansas City, Mo., April 2-3, Muchlebach hotel; Des Moines, Ia., April 4-5, Hotel Savery. Region 5-- Denver, Col., April 3-4, Shirley Savoy hotel; Salt Lake City, Utah, April 6-7, Utah hotel; Portland, Ore., April 9-10, Multnomah hotel; Berkeley, Cal., April 12-13, Veterans Memorial Building.

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EXTEND CORN LOAN OFFER TO MAY 1

Loans to farmers on farm-warehoused corn at the rate of 45 cents per bushel, made by the Commodity Credit Corporation since last November, will be available until May 1, 1934. The program was scheduled to expire at midnight, March 31. The extension was made to permit a continuation of the loan privilege to farmers, particularly in States where there had been delay in setting up warehousing machinery. States affected by the extension of the loan offer are Nebraska, Kansas, Iowa, Illinois, Indiana, Ohio, Missouri, Colorado, South Dakota and Minnesota. The total loan value of corn stored and sealed on farms is estimated at $112,000,000. This means that approximately 260,000,000 bushels of corn, or about 10 percent of the normal corn crop of the United States, has been sealed. The loan equivalent of corn stored in the various States is; Iowa, $54,000,000; Illinois, $25,000,000; Nebraska, $23,000,000; Minnesota, $4,000,000; South Dakota, $2,000,000; Missouri, $1,000,000; Kansas $900,000; Indiana, $1,000,000; Ohio, $250,000; and Colorado, $100,000.

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48 STATES TO SHARE IN DAIRY PLAN PAYMENTS

Large additions to the purchasing power of farmers in practically all sections of the country is contemplated in the national dairy adjustment program which is being considered by the dairy industry. The program is a 165-million dollar plan devised to meet an acute situation resulting from a drastic decline in incomes of milk producers. It would effect a 10 percent curtailment of sales of milk from the average of 1932 and 1933. The reduction in volume of sales would be made in the surplus classes of milk. Producers participating in the program would be paid benefit payments of 40 cents per pound for each pound of butterfat reduced below the 1932-33 sales quota. For each hundred pounds of surplus milk reduced below the sales quota, the benefit payment would amount to about $1.50. Estimated benefit payments to producers in the dairy adjustment program are as follows by States: Alabama, $645,000; Arizona, $300,000; Arkansas $1,005,000, California $6,915,000; Colorado $1,410,000; Connecticut, $1,080,000; Delaware $210,000; Florida $345,000; Georgia, $735,000; Idaho, $1,605,000; Illinois, $7,155,000; Indiana, $4,950,000; Iowa, $9,240,000; Kansas, $4,680,000; Kentucky $1,965,000; Louisiana $525,000; Maine, $1,020,000; Maryland, $1,245,000; Massachusetts $1,230,000; Michigan, $6,435,000; Minnesota, $12,585,000; Mississippi, $1,290,000 Missouri, $5,100,000; Montana, $990,000; Nebraska, $3,720,000; Nevada, $150,000; New Hampshire, $630,000; New Jersey, $1,140,000; New Mexico, $300,000; New York, $12,210,000; North Carolina, $765,000; North Dakota, $3,000,000; Ohio, $6,420,000; Oklahoma, $3,180,000; Oregon, $2,265,000; Pennsylvania, $7,125,000; Rhode Island, $240,000; South Carolina, $330,000; South Dakota, $2,790,000; Tennessee, $1,590,000; Texas, $4,455,000; Utah, $870,000; Vermont $2,460,000; Virginia, $1,215,000; Washington, $2,820,000; West Virginia, $735,000; Wisconsin, $18,570,000; Wyoming, $360,000.

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CIGAR TOBACCO PROGRAM REDUCED 1933 CROP

Application of production adjustment measures curtailed the 1933 acreage of cigar-leaf tobacco 43 percent below that of the previous year, and allotted $2,500,000 in rental and benefit payments to 17,600 growers. While very little of the 1933 cigar tobacco crop has been sold yet this season, unofficial reports of sales by a few individual farmers indicate that prices are somewhat higher than a year ago, but still below fair exchange value. The Agricultural Adjustment Administration may soon begin negotiations with the leading buyers of cigar-leaf tobacco for a marketing agreement on the 1933 crop. Production of cigar leaf tobacco in 1933 was reduced to about three-fourths of the present consumption. This was the first time since 1930 that production was less than consumption. Continued curtailment of production for one or two years, is necessary to reduce existing surplus stocks. The 1933 cigar tobacco adjustment program was carried on in the New England, New York-Pennsylvania, Wisconsin-Minnesota, and Ohio-Indiana producing districts. Another program for 1934 is being put into effect.

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PROCESSING TAXES MEET BUDGET ESTIMATES Returns from processing taxes now in effect are meeting budget estimates made by the Agricultural Adjustment Administration, and will provide revenue sufficient to finance the various adjustment programs now in operation, and also approved surplus removal purchases. Expenditures to be incurred in the programs now in effect---wheat, cotton, corn-hogs, and tobacco---involving rental and benefit payments and surplus removal costs, will total $859,350,000, according to the latest revised budget estimates. Collections of taxes for the entire period, are estimated at $863,595,000. The collection figures include revenue from processing taxes, and compensatory taxes on paper and jute, and differ from former estimates in that $13,500,000 of additional revenue is anticipated from parity payments paid on grains, principally corn, used in distilling.

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VERIFY COMPLIANCE OF COTTON REDUCTION Certificates of performance for the 1934-1935 cotton acreage reduction agreements are being prepared by the cotton section of the Agricultural Adjustment Administration. Producers will be required to execute this evidence of compliance during the summer, after cotton has been planted and before the second rental payment is made. In addition to the formal terms of the agreement, such as the correctness of the description of the farm covered, the acreage planted to cotton in 1934, the acreage marked as rented acres, the average productivity of planted and rented acres and other sections of the agreement, the certification of performance also will concern itself with the landlord-tenant relationships. An effort will be made to determine whether the express policy of preventing undue economic dislocation by displacement of tenants or share croppers is being followed by agreement signers.

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COTTON OPINIONS EXPIRE MAY 1 Producers holding options on Government-held cotton must exercise these options by May 1, or make proper arrangements for extensions. Approximately 14,500 cotton options are outstanding for approximately 90,000 bales of cotton. Under its terms, the option expires unless it is received by the Agricultural Adjustment Administration for execution before May 1, or unless a formal request is made for an extension.

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FLORIDA CELERY PACT TENTATIVELY APPROVED A marketing agreement for Florida celery shippers, designed to improve returns to growers, has been tentatively approved by the Secretary of Agriculture and sent to shippers for signature. A control committee for the industry would determine market requirements with a view to regulation of shipments to bring the highest returns to producers without unduly increasing costs to consumers. When necessary the volume of celery to be shipped would be prorated equitably among shippers and growers. The agreement contemplates national proration of shipments between Florida and California celery when such regulation is needed to stabilize celery markets in the interest of producers.

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DAIRY PLAN MAY INCREASE CONSUMPTION

Farmers producing milk for nearly all the larger cities are now forced to sell from 10 to 40 percent of their milk as surplus in Classes 3 and 4, statistics compiled by the Agricultural Adjustment Administration show. In view of this surplus condition on leading markets, officials are of the opinion that fluid milk consumption, instead of being reduced by the proposed dairy adjustment program, may actually be increased as a result of it. This, they say, is because any restriction in milk supply would principally affect the amount of milk sold in surplus classes. At the same time the relief distribution of milk to undernourished children in cities, and transfer of cows from surplus producing areas to needy farm families would bring about a substantial increase in fluid milk consumption by both of these groups. In addition, dairymen's families would undoubtedly use more milk at home.

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FOUR NEW ENGLAND CITIES GET MILK LICENSES

Licenses for the milk sales areas of Providence and Newport, R. I., and New Bedford and Fall River, Mass., have been signed by the Secretary of Agriculture to become effective April 1. Prices, terms and conditions of the four licenses are similar. Only two classifications for sales by distributors are included. The licenses set prices to producers for Class 1 milk of 3.7 percent butterfat content f. o. b. distributors plants at $3.02\frac{1}{4}$ per 100 pounds, or $6\frac{1}{2}$ cents per quart. The markets are set up on the base and surplus plan, with an equalization pool for all milk, with payments on a usage basis.

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TWO MILK LICENSES REVOKED

The licenses of Lloyd V. Shissler and the Peoples Dairy Company, milk distributors in the Chicago, Ill., area, have been revoked by the Secretary of Agriculture for violations of the terms and conditions of the milk license for the Chicago milk sales area which went into effect February 5.

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TOMATO CANNERS PACT OUT FOR SIGNATURE

A schedule of minimum prices which canners would agree to pay for the 1934 tomato crop is provided for in a marketing agreement for the tomato canning industry which has been tentatively approved and sent to canners for signature. The minimum price schedule would increase returns to growers over the price stipulated in their 1933 contracts with canners.

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